G. R. S. IX-5]

Previous references.

File No. 9 & 1901

191

(Bandhung.)

Serial Nos. 0 — 4

Later references.

E.C 105-20-(1-5)

GENERAL AND REVENUE SECRETARIAT.

Serial Nos.

Part B for October 1902 ——

SUBJECT.

Report on the working of the Agl. Bank at Vadigenahalli, Devanhalli Taluk

---

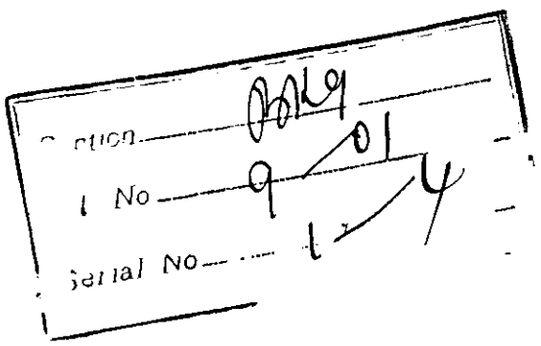
Indexed

JM

W D 68—GPB—50,000—24-7-16

Councillor' order.

Subject- report submitted by the Inspector of the Agrl. Banks in Mysore, on the Inspection of the Agrl. Bank at Vadigenahalli, Devanahalli Tk, Bangalore Dt.



I would simply say-

"The affairs of the Bank, though in some respects properly conducted, do not on the whole seem to be managed in as satisfactory a manner as possible. Radical changes seem to be necessary and definite proposals on the subject are awaited. The withdrawal of Govt. support in so important a concern as this is undesirable unless found by experience to be unavoidable. The Deputy Comr. and the Inspector will be good enough to jointly inspect the Bank again as early as possible on a date to be ~~fixed~~ mutually agreed upon, and after a thorough joint investigation, advise the Govt. as to what should be done to promote the object in view and to prevent a collapse."

Print.

(Intld) C.S.
1-4-02.

To

The Dy.Comr. Bangalore Dt.
,, Inspector of Agrl Banks. in Mysore.
,, Dy.Comrs. of other Dts.

Letter no 62
Dated 16th July 02
from the Dr Comr,
Bangalore, sub-
mitting the report
of his visit on Inspection
of the Vadigen halli,
Agl Bank, made
by the Dr Comr & the
Inspector of Agl Banks.

No orders on
particular
points were
called for:
The actions
taken by
may be generally
approved &
time till the
end of Dec 02
granted as

Recommended
the question
about the liability
of members
after their ceasing
membership with the
Bank is referred
should form
the subject of
a separate reference —

Informed &
~~the Registrar~~
for orders
H
24/7/02

This shd be
decided accg to
the ordinary ~~Sub~~ law
applicable to companies
of this class.

Hy

The 2nd Councillor.

The Members should
be asked to correct the mistakes
which should be properly de-
scribed and a further report
should be submitted after the
lapse of the time granted.

Hy
26/7/1902

Rd
26-7-02

K 211

Please see the 1st Counsel
[illegible] from
[illegible] 1 [illegible]
[illegible] to hear from
be glad to [illegible]
[illegible] memorandum
[illegible] all
[illegible] the said
[illegible]

2)

the subject are awaited.
The withdrawal of Govt
support is so important
a concern as this is
undesirable unless
found by experience to
be ~~indispensable~~ unavoidable. The
Dy Comr & the Executive
will be glad enough
to diminish the Bank
again as early as
possible on a date
to be mutually agreed
upon, and after a
thorough & unbiassed
Govt advise
the Govt as to
what should be
done to promote
the object in view
and to prevent
a collapse."

Q

1/4/02

Print

To the Dy Comr Bangalore
To the A/C Bangalore
To the Dy Comr of
To the Other Dists

P 3378

1901/02

(11)

FROM

The Dy. Commissioner, Bangalore Dist.

To

The Secy to the Govt of Mysore Revenue Dept.

Dated 21st
Despatched 22nd } February 1902
Received

General No.

No. 949.

Enclosure No. Dft Report & Appendices Nos I to V

Submits the report on the Inspection of the Agricultural Bank at Vadigenahalli, Uttanahalli Taluk by the Inspector of the Agricultural Banks together with the appendices Nos I to V.

Rd 24.2.02

To Rev. Br. Records.
R.D. III of 1895 pulmp.
R.B. 12/3/02

Submitted to the Secretary for Perusal and Notes in Revenue Department.
13/3/02 Manager
15/3/02

Submitted to the 2nd Councillor.

I have This report unlike that of Chikmagalur seems to err on the side of raising too many questions. It is doubtful whether all these can be adequately dealt with by Govt on their merits.

I think there should be reports required separately on questions requiring orders.

30/3/1902
31/3/02

Rec'd 31/3/02

I would kindly say "To be a share of the Bank though raising reflection properly considered I cannot see the whole scheme to be managed in as satisfactory a manner as proposed. Radical changes seem to be necessary and definite proposals on

DW 2949

Inz on Report and Appendices Nos I to V.

Bangalore District
Dy. Commissioner's Office
Bangalore 21st February 1902.

From,

M. S. Narayana Rao Esqr
Dy Commissioner
Bangalore District

To,

H. V. Ranganayya Esqr
M.A.M.L.
Secy to the Govt of Mysore
Rev: and Genl Depts.

Sir,

I have the honor to forward herewith, the Report on the Inspection of the Agricultural Bank at Vadigenahalli Devanahalli Taluk by the Inspector of Agricultural Banks together with the — Appendices Nos I to V, dated the 14th February 1902

and

and to state that I concur with the

Inspector in the recommendations made

by him in the last portion of his report.

I have the honor to be
Sir
Your most obedient servant

Dy. Commissioner,
Bangalore District.

Memorandum -

The Vadegenhalli Agricultural Bank

1. Date of present Inspection.

I. From the 6th to the 16th December 1901.

The Books and accounts of the Bank were Examined, and Enquiry was held into the Complaints received concerning the present Agent and President. The Bank possessed only an uncertified copy of the Memo and Articles of Association. The Agt's Application for a certified copy, since received & had been forwarded to the Registrar of Joint Stock Companies and complied with.

2. Whether there is a duly registered suitable bank office where members and depositors could call and have their business attended to; and if there had been any change in the office since last inspection, why necessitated and whether duly registered.

II. The Bank-office is in an outer room of the President's house Separate from the main building, and may be considered to be Suitable but for the Stench Emanating from a big covered drain close to it. Meetings are said to be held in the hall of the house. This office room has been registered under the Companies Regulation. In February 1899 the office was temporarily removed to Eyda Hilli about a mile and a half

from Vadipunahalli owing to the prevalence of the Plague at Vadipunahalli; and the sanction of the Chief Court was later obtained for this temporary change. The office was re-shifted to Vadipunahalli in January 1900.

III. No specific days and hours had been appointed for the transaction of business; but since the starting of business in November 1896 there was not a month in which cash transactions, trivial or large, did not take place. These were sometimes on consecutive days and sometimes at irregular intervals, the average number of days in a month on which business was so done having been 7·25 in 1897, 13 in 1898 and in 1899, 14 in 1900 and 12 in 1901. There were however, complaints that the bank's officers could not be found when required; some of the past members openly asserted that the President

3. Whether any dates and hours are fixed for transaction of business, whether business is regularly transacted at those dates and hours; if no appointment is thus made, what arrangements exist for the due transaction of business when members and depositors call; and on how many days in a month is business done.

It is time that days & hours of business are fixed & notified. This should be done & reported to Govt. The opportunity may be taken to introduce the system where-ever it does not exist.

Reasonable time for such work should be fixed.

and that we subscribed themselves to have a favourable conduct; we had been addressed on the occasion, on Rankama. Mr. Blaramin, on perusing our petition had come back to us, himself one, and the Zemindar, Sir Rankama on two or three occasions. He enquired and showed however, that this was due more to misunderstanding, intentional wasim on the part of the Bank's authorities. Some of us had given our previous intimation of our intention to inspect the Bank on the days we went, and in one case, there was further an erroneous representation on some of the complaining had intervened about the closure about the President and Agent, disputing the proceedings of the Bank's Authorities, a body at Velu-vatti. As for the Zemindar, he had been asked by the President himself, in a letter dated the 15th December, 1905, to make the

recharm enquiry and revise the
opinion expressed by the Acting Zemindar
Mir Karimya Khan, and pointed
out this request whenever he and the
President (a member of the Municipal
Board) met at the Municipal meetings;
but he postponed the enquiry indefinitely
promising to pay a separate visit
for the purpose when he could find
the amount of leisure required. The
President has, in his explanation
urged that no previous intimation
of any such visit was sent to him or
other officers of the Bank, that since Khan
last he had occasion to leave Kadapa-
halli very frequently to go to Bangalore,
Mysore, Tumkur and Hindupur
in search of bridegrooms for two of
his daughters, and that during such
absence the Agent and two of the Directors
had been asked to attend to the Bank's
affairs. The Nekdar of the place (a
nephew of the late Khan Bahadur Mir
Mahomed Ali) corroborated the explanation
that no previous intimation was
given of the Zemindar's visit; and
was possible that the Agent who

(3)

4. Whether the bank's registers, accounts, title-deeds, documents, cash balance and other property are kept in the bank premises in the custody of the President and Agent; and if any of them are not so kept, where and how they are kept, under what authority and upon whose responsibility.

IV. The cash balance remains in the personal custody of the President as per resolution of the General Assembly dated the 16th June 1898. The Registers, accounts and other records are kept in the Bank-house in the custody of the President personally and of the Agent as Superintendent.

5. Whether the villages to which the members belong are sufficiently near (within a radius of five miles) to the Bank house, and duly registered; at what distance do the majority of members, the directors and office-bearers reside; and if business was extended to any new village whether there was proper sanction for it.

V. The villages the benefited as per the Memo and Articles of Association were 21. The Devanhalli Bank and 5. the Vidyashalla Bank total 26. Both were within a radius of five miles of Devanhalli with the exception of 2 villages in Devanhalli the Devanhalli Bank which is 15 miles from the Head and Talaka office of the

radius 5 miles from Adirunahalli
not content with this large number of
reserved villages, the President and Chief
with the assistance of a Special Commissioner,
excluded Nerallims & other villages, and
later obtained the sanction of the Viceroy
for the exclusion under section 12 E of
the Forest Act in addition. The villages
thus newly brought within the Bandi
Nirasidhan were 35, of which 15 being
to the Devanahalli Taluk, 16 to the Doda-
ballapur Taluk, 4 to the Nelamangala
Taluk and 1 to the Chintamani Taluk.
Out of the 35 villages, 22 are within a
radius of five miles from Adirunahalli
and 4 are situated from 6 to 10
miles from it. Eight of the new villages
excluded. Seventy eight of the newly
demised premises had been drawn
from 12 of the new villages, which lie within a radius of five miles from Adirunahalli and two Kandavara & Nelamangala Taluk and Chinnamangala Chintamani Taluk were 9 and 8 miles respectively from Adirunahalli. The remaining 24 new villages had been included in the application for sanction as some of the new demised lands in them. Of 82 premises on the Forest Rental & including 38 are residents

The Bench should be warned against further extension. Either discretion might have been used in extending the operations 5 villages outside the radius of 5 miles.

4)

38
37
15
1
82

of Vadiyamballi and 3 of villages within a radius of five miles from it. The President, 3 Directors and 2 Auditors live in Vadiyamballi. The agent and 2 Directors, and one auditor live in villages within five miles from it.

6. As regards members, whether and to what extent there has been any increase or decrease in their number since formation of the bank or last inspection; what was the decrease, if any, due to; were the new members duly qualified, duly elected, and registered; in case of members belonging to a joint Hindu family or otherwise possessing a qualified or limited status, whether there is proper representation of interests involved; whether in the practical working, the bank has gained or lost in strength, energy and usefulness since formation or last inspection.

VI. There were originally 15 members, viz. 10 Brahmins and 6 non-brahmins. Of these, one resigned and 8 were removed. There were 90 admissions subsequent to formation of the Bank, of whom 3 resigned and 12 were removed. There are thus 82 members at present, viz. 26 Brahmins and 56 non-brahmins. There seems to be a likelihood of a large number of the new members severing their connection with the Bank; for they had, as explained by the President, joined the Bank and stopped quietly in the hope that Government would grant a further loan to the Bank for their use, and this hope, it was now clear, was not destined to be realised.

Some of the members who have been removed, especially those that belonged to the party of the sixteen who originally signed the memo and Articles of Association and obtained an advance

£80.000 from Government have been complaining that their removal was unjust and unwarranted, that the bank had thereby been deprived of the efficient control which intelligent men residing at Spot could have exercised and that in their place men who were calculated to be subservient to the wishes of the President and Agent had been taken though they were residents of distant and unregistered villages about whom little or nothing was known - the complainants urge that either they should be restored or they should be completely absolved from all liability in respect of the banks transactions and they frequently and vehemently complain against the acts of the President and Agent inasmuch as they have been led to believe from what two high officers of government to whom they petitioned are stated to have told them) that their liability to government would last until the last pie of the government advance was repaid by the Bank or otherwise recovered

Of the complainants the most loud and forward were [illegible]

5)

9)

School master, (2) Chandhoy Srikanta, (3) Chandhoy Subbanna, (4) Chandhoy Kasaba Ramanathapuram (5) Chandhoy Thirumanna and (6) the Chandhoy Veera Hanumanta Raya.

The removal of Venkatapa was due to misuse of money obtained to discharge an encumbrance on property mortgaged to the Bank and other causes. His case will be found discussed in the Judgment of the additional Commissioner No. 5 of 1897-98, which is appealed. The complainants Srs. Srikanta Chetty the President and Ajent had been summoned by Dr. Duncan Watts and considered him to be false and frivolous. So strong was the impression left on the mind that after the case the complainant that he subsisted the removal such slanderers. The said Srikanta was removed for failure to produce the said document and other defaults. The remaining four (out of the six named above) were removed on the ground of persistent default in paying sums due by them to the Bank.

Sub-para 24 Removal from Chandhoy

the 5th and 6th members were, as noted above due to voluntary resignation and 6 to defaults. The remaining 14 were due to the following causes:-

1. On account of the member having sold off his lands and left the jurisdiction of the Bank.
5. For persistent defaults
8. On account of the members having sided with the removed members and presented slanderous petitions time after time, creating unpleasant-ness in the relation between the Government and the Bank

Of the 4 resignations two (namely Sheshabhat, an Inamdar, and Dr. B. Venkatraya Iyer Deputy Inspector of Schools) had been ascertained to have been due to loss of confidence in the management, bodi and fear of prosecution.

Sheshabhat resigned immediately on learning of the disposition of his case as above. He later in his private capacity, subsequently filed a suit against the former for redemption of a land. The remarks of the additional Munsif in disposing of the 11 issues in the case, vide, pages 560 of the printed Govt. proceedings, included those

"at there had been an un he: "
conversation between the President and
X'ant and that both had given testimony
not considered worthy of belief for pre-
-ferred to a loan of Rs. 15/= from the
Bank to the Agent for the purposes of
redemption and to allege under the
same to have a that judgment
has been appealed against, but the
remarks of the Tribunal in relation the
facts spoken to concerning the said
sum of Rs. 450/= are weighty. There
was the significant fact that the Appel-
drew the said sum of Rs. 45/= from
the Bank on the 19th June 1898 for
the ostensible purpose of using it in
court, but failed to do so. When
questioned by me in the matter, the
President, in the belief that
that I was not acquainted with what
had transpired in the above said, states
that the Agent who obtained the amount
for the purpose of depositing in court
actually lodged it in court and sub-
-sequently took it back from the court
and used it for building his house
at Kachavadi. He further explains

that the Plaint having consulted him about withdrawing the Amount in Court in order to erect certain house-building purposes. he consented to the Amount being withdrawn as the Bank held other tangible securities from the Plaint. When on the following day he was referred to information placed at my disposal by the other party as to the Amount not having been lodged at all in the Court. he made the following Explanatory Statement:-

"I do not know from personal knowledge if Shik Imrosab actually deposited his Amount in Court as promised by him and then withdrew it. He informed me that he had lodged it in Court, and after obtaining my consent as above stated, he informed me that he had withdrawn it from the Court. If he had not informed me that he would lodge it in Court I should not have given the Amount to him. In the Cash Book Entry is made that this was given to Shik Imrosab for lodgment in Court in Sheriff's Civil Case. I believe that he lodged it accordingly and to the best of my recollection, about three or 4 months thereafter, he consented

y)

me about in withdrawing it.

There was thus either wilful misrepresentation on the part of the Agent to his own particular friends and relation or prevarication on the part of the President; more probable the latter for it seems likely that the amount was withdrawn from the Bank, & the President's knowledge, directly for meeting the pressing demands on the Agent in connection with the big house he was building, that the admissible and ostensible purpose of payment in court was mentioned in the Cash Book in the hope that the Agent would shortly be in possession of other funds and might then pay over the amount to the court, and that the Agent had off paying into court is the demands on his purse increased. This incident and the explanations given concerning it are referred to at some length as throwing some light on the character and disposition of the two men who have been mainly guiding the destinies of the Bank and against whom complaints have been preferred.

The explanation given by the Presid.

as recorded that Mr. Smith's counsel's position was that Mr. Smith's relations did not cease to preserve the moneys he counted when the bank was in suspension & found that when he counted the money, the bank was not in a position to give it, and that he never visited the Bank and must have formed his opinion of the Asst and President upon the misrepresentations of School master Sinapha and his partisans.

As regards removed for default, it is possible that undervaluing their removal there was a feeling of vindictive-ness aroused by their having fallen out and become obstructive in consequence of the appointment of Mr. Warfield as Agent; but there was no adequate ground for thinking that the removal was ~~unjust~~ unwarranted for defaults had been committed (according to a strict interpretation of the rules framed by the general Assembly, and the Auditor & Trustees had refused when their removal in pursuance of the rule which enjoined strict punctuality - Instead of acting up to the rules the Bank and seeking to oust the Agent in a constitutional manner, they had in their attempts to defy and thwart the Agent and his master the President, violated the rules.

8)

the case against those removed for joining the Chamblogs in combining or "Plundering" was, however, not so strong. But it was not clear that these members wished to urge any grievance - three of them who appeared before me said that they were anxious their connection with the band should cease, and when they were told that they had been removed they seemed satisfied. They were illiterate navigators of the Kind that multum in Magis follow a leader. One of them even urged that he had been joined as a member one of the original 60 by the Chamblogs, without his knowledge and consent and he took this opportunity of an application, and that he came to know of this after disputes arose between the Chamblogs and others.

As regards the complaint about improper admission of unworthy or ineligible persons as members - the combining Chamblogs were themselves parties to the admission of all the members except the two last admitted, viz. the Apostles brother and a relation of one of the Directors and they had scrutinised and reported upon a large number of the lists of brothers submitted with the

applications for admission. Discovering their mistake too late, they opposed the application made to the Chief Court for sanction to include the new villages, but the Chief Court rejected the objection on the ground that it had been made by removed members and their partisans, and granted the application on the ground that the Extension of the area of operation had been resolved upon by the unanimous vote of a general Assembly consisting of 44 members.

I may here note that there was an interval of 2 to 4 years between the admission of new unregistered villages and the registration of these villages after the sanction accorded by the Chief Court, and that in the interval 16 of the members of unregistered villages had been granted loans, and several of them were taking part in the meetings of the General Assembly. Thus in the proceedings which led to the removal of some of the members and the voting of the Extension of area of operations, several members who belonged to unregistered villages had taken part - a fact not probably known to the notice of the Chief Court. Supposing then that those proceedings were informal

This was irregular

9

remarkable?

the complainant that they could either be re-admitted to membership restored from all responsibility for the government done - it was open to them to institute proceedings in the proper tribunal for declaration and enforcement of their rights and to prefer the easier course of sending petitions to the Executive. As the President proposed to become a civic and intervention, the local officers, & any suggestion endeavored to give their kind offices to the extent possible, the last such being by the narrating Thomas Smith, who had a meeting of petitioners called examined in this presence spoke to them in the presence of respectable and disinterested men of the place and with that intent them to agree to a compromise, by which the injured men had a

large measure of secrecy and a share in the management of the Bank in Parliament left the place in a promise from the President that due notice would be taken to give the recommendation to the consideration required by a general law and also after, stating in the name from the President to the same effect. But a second thought the President saw formidable grounds for apprehending great inconvenience to the Bank if the resolutions referred to were acted on at the next assembly those reasons were

(1) the members who attended the meeting convened under the auspices of Mr Parnell knew had no notice of the business to be transacted there,

(2) nothing was moved in case that were present there was no quorum at the said meeting

the admission of manners
removed for default and the
granting of further time to
them for payment of dues
as per Mr. Narainga Bhai's
suggestion would cause great
deprivation and distress
should the Union make
default to pay in pursuance
of the exceedingly liberal terms
recorded at Mr. Narainga Bhai's
suggestion in modification
of the terms of the decree
obtained by the Bank against
him the Bank would have
no redress, the said decree
operating as res judicata,
whereby the terms proposed
to be granted to defendant
Khairun are disadvantageous
to the Bank.

Defendants failed to produce
even a receipt as per terms
proposed.

The proceedings of the meeting
held at the instance of Mr. Narai-
ainga Bhai had a value as a
record of compromise and not

as

would proceed in spite of a
decision not to be left to the
Directors themselves to consider
and adopt them in the interests
of the Company. If they were
invited to do nothing that
would give no offence to the
Directors and enable reinstatement
by a standing vote of the Board
for which a majority could
always be obtained should
shortly and suggested the
amendment that the power
to withdraw out the bank rules
which brought that otherwise
in accordance, would be ruined in the future
existence of the bank under
the present rules

The objections may that
the existing rules would
the opinion that unless
not to be continued to be members
of the Bank they would be liable
to forfeit what had sanctioned
the loan to the Bank in the
course of themselves and other
objectors to the scheme.

Articles of Association

it was thereby provided that
if the Company should wind up
& the assets should not be sufficient
to pay the whole amount then
would be paid the Subscribers
further argued that a Shareholder
cannot be compelled to pay
more than the amount due on
any of the Shares to the
memorandum & Articles of Association
without receiving the risk of
being called upon to pay
back at once the whole of the
Government loan and that
the liability of all the original
members would continue to subsist
notwithstanding the resignation
or removal of any of them.

The question raised is important
and it is essential that for
a proper understanding of
rights and liabilities there
should be some way of
authoritative decision stating
clearly as the Government on
the one hand & a collective body
and on members existing and
past.

The decision of the Articles

of

The ordinary Law of Incorporated Companies will govern the matter. I do not suppose that the liability of resigning members will subsist. This will show that it is necessary that Govt should reserve Power to approve of resignations if possible.

HJ

of association members are at
liberty to sever their connection
with the Bank by tendering
written resignations at any
time but take out under section
58 2bid the general assembly
has the right to remove members
for persistent default relation
or even gross neglect of duty
ject. In that declares that
the seat [illegible]
of a member who ceases for
any reason to be
from residency for loans
and deposits obtained
agreement of the date of his
resignation. [illegible] shall
[illegible] and liabilities
contracted by the Bank previous
thereto. Section by itself has no
provision in the articles of
association about the liability
of past members even to
indicate that his liability
in regard of [illegible] subsists for a indefinite
period that is up to the winding
up of the Bank which may happen.

The provision of section 6 of the Joint Companies Regulation applying in the event of a company being wound up if the question of a past member's liability had to be determined without reference to the event of a company being wound up, would to be done in the manner of the provision of 6(a) of the Regulation under which the liability of a past member would seem to subsist - i.e. if the winding-up commenced within the expiry of one year from the date on which such a member ceased to be a member, would the provisions be ignored and the matter given consideration of the terms of section 62 of the Articles of Association?

If the provision section 6(a) of the Regulations were held to indicate the law applicable to Joint Stock Companies as at present constituted here the liability of several of the past members would seem to have ceased long ago. I exist whether

12 'Or :-

	Name of member	whether belonging to the original, 6 or since admitted	Date of removal	Date on which liability would cease under the Regulation
1	[illegible] Bhat	original	14-7-97	13-7-98
2	[illegible] anya	admitted 28-10-96	28-10-97	28-10-98
3	[illegible] a	original	7-10-97	6-10-98
4	[illegible] anya	admitted 28-10-96	23-4-98	22-4-99
5	[illegible] Shanbogue	original	26-7-97	25-7-98
6	[illegible] appa	admitted 14-7-97	14-11-97	13-11-98
7	[illegible] appa	Do.	Do.	Do.
8	[illegible] ayakka	Do.	Do.	Do.
9	[illegible] a	admitted 28-10-96	25-3-99	24-3-00
10	[illegible] adasa Shanbogue	Do.	Do.	Do.
11	Kasiba [illegible] a Shanbogue	original	6-7-97	5-7-00
12	Sore [illegible] nna Shanbogue	Do.	Do.	Do.
13	[illegible] a	admitted 28-10-96	Do.	Do.
14	[illegible] at Lakshman	admitted 2-1-97	Do.	Do.
15	Lakshmappa	Do.	Do.	Do.
16	Lakshmayya	admitted 14-7-97	Do.	Do.

The remaining eight persons of whom four belong to the original family of owners removed on the 14th July 1901.

Where one volunteer brought to notice of unauthorised representation of a joint Hindu family. Shanbhog Subbanna & the original three members seem to have effected a partition with his brother after obtaining a copy from the Bank and thereby diminished the security of the issue of the removed members with the consent of the

a need [illegible] for the small balance due a unit is said to have led [illegible] against him.

Insanity [illegible] has been secured by the elimination of incorrect [illegible] and the admission of new [illegible] report [illegible] evidence in the President's [illegible] the Agent but the bank cannot be said to have gained in energy and effectiveness. Strength of character seemed to be wanting and the administration [illegible] far from satisfactory will be seen from a consideration of other parts of the report.

VII. A unit is left in a doubtful position as the lands of all the members admitted to the Bank save one Shesha Bhat one of the original sixteen who put off giving a list of his lands and eventually resigned without giving one. The statement of the lands of the original sixteen admitted to Government seems to have been prepared upon an extract containing totals of area assessment and value in respect of each member given by the revenue and it is not clear if the Local authorities possessed particulars of the fields of each member and valued each field. The register of property in the United Provinces has not yet been

VII. As regards credit, solvency and resources of members, whether a complete and accurate list of the lands of members is maintained: if not, how is the omission explained; to what extent have fluctuations in the number of members affected the united credit of the bank. Any notable instances of new acquisition or improvement since formation of the bank or last inspection; any notable instances of sale or other kind of transfer, relinquishment or deterioration; how these have affected the solvency and resources of the members concerned and of the Association as a whole; what guarantee, if any, has the bank obtained or the rules of the General Assembly afford against alienations and relinquishments prejudicial to the Bank's interests; compare the *net* amount of the value of property as per latest authenticated list with the amount of liabilities of the bank at date of inspection.

written up on the ground that the President and Agent had not found the amount of revenue required to be written the whole list relating to each village with the additional particulars for which columns are provided and that intimation of the valuation made by Government authorities which subject is entered in the Register had not been received. This information in regard to areas of khatas the shares or rights of others valuation by Government officers and the annual yield is now not available so far as could be ascertained from the village note, to be given by five persons among the President, the Agent, a Pleader, one of the revenue servants were not exhaustive.

As regards valuation by Government officers the Amildars of Shirhatti and Gadag and Deputy Collector of Gadag responded to the requisitions sent to them. The former gave the lands of five members were valued by a Panchayat and stated as regards the other number mentioned in the requisition namely Krishnappa the President's brother that he had no lands free of assessment in his Taluk. The Deputy Collector furnished values

I am sorry it could be done at the earliest opportunity. The amildars may be required from the Presidents

to the lands of 32 of the new members residing in his Taluk The Devanhalli Amildar personally visited a few of the lands in his Taluk to be valued, and called for Villagers as unit of lands to be inspected. The President states that he furnished these instructions three years ago but that the Amildar had not found time to do the needful"

A statement is appended shewing fluctuations in the extent and value of lands, consequent on decreases and increase in the number of members. It will be seen therefrom that the original sixteen members possessed lands and houses valued at nearly Rs 2 000; that of the lands &c. held by the nine removed and those belonging to shares as well as those disposed of by two of the members were excluded, the holdings left to the remaining seven would amount in value to about Rs 9,000; that the 90 members admitted after formation of the Bank, possessed lands and houses valued at nearly Rs 17,000 and that if the lands &c. of these and of them as well as

The annulments afterwards should be drawn. This -

15)

271

those nearly to settlers from the Bank were omitted, there would be left Rs 12,000 representing the holdings of the remaining settlers formation. Rs had obtained Rs 4,000 each large loans. The sixteen Rs appear to have been added before the Government advance was drawn and therefore actually commenced, so that the liabilities are really the same as those of the seven who remain out of the original sixteen the loans held by these ten represent Rs 4,000 each at Rs 400.

Two members (the Agent and another) are stated to have bought new lands valued at Rs 530 and the Agent has been re-building his house at Kirchaiali at great expense in the form of a Bungalow The resident is said to have relinquished a small but fertile land owing to disputes and could if they prefer it receive Rs 650 instead. The expected expenses for the settlement of the remaining

circulations, do not appear to have
materially affected the solvency
of the Institution. A respectable member
invited to name such a field
mortgaged to the Bank for £3,370
& paid the amount to the Bank.

This Bank had not framed
any rules to protect itself from
alienations and relinquishments
prejudicial to its interest &
instructions were conveyed by
this office in February 1860 to the
effect that alienations by members
of any of the properties mentioned
in the Bank inquiries, could not
be proper if, from the
intended, and sanction of the
General Assembly, that persons
wishing to alienate any such
land, would do well to apply
for the sanction of the General
Assembly; that the General Assembly
should take into consideration
whether any alienation proposed
would affect the credit of the
Bank or prejudice the Government
who had given a large loan
to the Bank on the united credit
of all the members, & that
the Bank would frame, rather

16)

rules in the matter 31 The 16 complaining Shanbhogs stated that the President had sold other lands besides the one referred to, and incurred heavy debts besides those obtained from the Bank, but the President most solemnly denied the truth of both the allegations

The liabilities of the Bank on the date of inspection were:-

To Government	Rupees 10,000-0-0
" Depositors	65-0-0
Total	10,065-0-0

The members even excluding from consideration those removed as well as those who had taken no loans or had taken merely small hand loans and were therefore likely under present circumstances to withdrew from the Bank, are shewn to possess lands and houses valued at Rs 27,600- Those of them who have been in the Bank since the commencement of business (namely seven plus ten) are shewn to possess lands and houses valued at Rs 15,600, nearly. The Bank holds mortgages from members of properties valued at Rs 24,222 in respect of loans

amounting to Rs 13,850, of which Rs 6,644 are now outstanding.

VIII. From the uncertified copy of the memo and Articles of Association in the possession of the President, as well as from the certified copy since furnished by the Registrar, the limit fixed for the Bank's funds seems to be ~~Loans~~ Rs 10,000 This limit had not been increased or decreased under proper sanction, but the Bank had in its dealings exceeded the limit slightly (the excess ranging from Rs 14-0-0 to Rs 189-0-0) since the 5th June ~~September~~ last, which coincides with the period during which the President and Agent proceeded to appropriate realisations by means of II^nd class loans for the use of themselves and nine others, for purposes, in some cases, not authorised by the rules, as will be explained further on. Apparently the limit was not kept in view, and the President promised to collect the II^nd class loans by the due dates (March to May 1902).

At date of inspection the Bank had no funds derived from contributions, loans from persons or bodies other than Government, deposits in grain, and debentures.

8. As regards Bank's funds, note whether the limit fixed at formation had been increased or decreased under due authority; whether the bank had in its dealings unauthorizedly exceeded the limit and if so how is this explained or proposed to be rectified. Classify the Bank's funds at date of inspection with reference to the sources from which they were derived viz:—entrance fee, contributions, loans from Government, if any, loans from others, deposits from members (1) in Cash and (2) in grain, deposits from outsiders, Debentures etc. Note whether the bank's credit is well established and sustained, or steadily growing: if otherwise to what extent such result is due to any action or omission of the bank's authorities and what other causes are likely to have contributed to it; whether the lessons of co-operation, mutual help and thrift are understood and practised, if not, inculcate them to as large a body of members and outsiders as can be gathered.

17)

The sums under other heads were: —

Loans from Government Rs	10,000
Cash deposits by members	40-10-0
" by non-members	25-0-0
Entrance fees	53-0-0
A portion of the surplus (up to 5th Dec 1921) used for granting loans	70-12-5
Total Rs	10,189-6-5

which was the total amount of loans outstanding against members on the date of inspection. The use of entrance fees and surplus for the grant of loans to members, in addition to the amount of loans and deposits obtained by the Bank does not appear to be in conformity with the rules.

The Bank's credit cannot be said to be established or steadily growing. The schism brought about by the appointment of an undesirable relation, though as man of property as Agent, had been the cause of constant quarrels and complaints, least likely to generate or foster confidence.

The President is an intelligent man having received some education in English, and appearing very meek and docile, professing to work the Bank

so as to further the object of Government. I spoke to him on several occasions in the hope that he would rise above petty village squabbles and endeavour to make his institution an ideal one. He promised to do his best, and said he would take some of the members of the Bar who were his friends to see the working of the institution and induce them to take an interest in it and help it with deposits. He had not up to this done anything in this direction, on the other hand his obstinate adherence to the Agent and imprudent and unfactful management of affairs had impaired the prospects of the Bank.

X. On 27th March 1901 I proposed ten annual instalments for this Bank as follows:- Rs 700 for 1900-01 Rs 1300 for 1901-02 and Rs 1000 every year thereafter The Amildar called upon the Bank to pay Rs 700 for 1900-01; but it is alleged there was some delay in finding out the whereabouts of the President and Agent and delivering the demand, and when it was delivered, little

9. As regards Government loan, note whether the terms fixed for repayment are duly acted up to or there has been gross delay, dilatoriness or neglect; the amount outstanding against the bank at date of inspection; whether the loan may be continued subject to the terms allowed for repayment or whether in your opinion it is advisable to withdraw the loan under the provisions of sections 74 & 75 of the articles of association; and state reasons for such opinion briefly and concisely.

or no notice was taken of it on the ground that it did not specify on what account the amount was claimed. The President had previously preferred an application for the grant of 20 years, but the Deputy Commissioner decided in November 1901 that no more than ten instalments should be allowed and that Rs1000 should be paid every year. This was communicated to the President through the usual channel on the 26th November 1901, but by that time the bulk of the realisations on hand had been granted away as second class loans. The President stated that as intimation of the Deputy Commissioner's decision was received only on the 26th November 1901, the first instalment would be paid for 1901-02 at the end of June 1902, but was informed that instalments should begin with 1900-01. He has promised to pay Rs1000 for 1900-01 by the end of March next and asked for time till March 1903 for payment of the instalment for 1901-02

the Bank could pay and ought to arrange to pay the amount of the second instalment at the appointed time in June 1902.

My opinion on the question whether the Government loan may be continued or should be withdrawn will be reserved to the sequel

X. No loans had yet been secured by the Bank except from Government. The deposits secured amounted from the beginning to Rs 1691-10-0 as follows:-

I Current deposits by members:-

(a) out of loans obtained from the Bank itself and left in the Bank for the purpose of discharging prior debts } 1200-- --

(b) other than the above -- 426- - -

II Fixed deposits repayable in one year:-

(a) by six members - - - - - 40-10-

(b) by five non-members - - 25- - -

The Agent withdrew his deposit of Rs 450 included in I (a) above expressly for lodging it in Court for payment to mortgagee but used it to meet his house-building expenses. The balance of Rs 750 under I (a) above, is shewn to have been used by member Ramaiya to discharge his debts. The bulk of

10. As regards loans and deposits from others note the terms allowed, generally in regard to rate of interest and time for repayment; whether the sanction of the General Assembly had been obtained to the rates of interest and other essential terms; whether the obligations incurred were, in any way in excess of the bank's requirements or of what local conditions of credit, prudential considerations and the progress and well being of the Bank justified; whether the Bank authorities are alive to the importance of placing themselves in a position to discharge the obligations incurred, punctually completely and satisfactorily.

19)

the amount under I (b) above, had been kept by the President but withdrawn within a few days.

The small fixed deposits were the result of an endeavour made by the President in the latter part of 1899 in compliance with a suggestion made by me for the encouragement and attraction of small deposits from members and their friends and relations; but he gave up the effort as involving an infra dig. seeking for petty help from unwilling men. He had now no hopes of attracting deposits

The Bank authorities allow interest at 4 percent per annum on deposits, but there seems to be no formal resolution of the General Assembly in this respect.

II. As regards the Bank's transactions—Compare the Cash Book with ledgers, Receipts, chalans, Cheques, Treasury Pass Books, Contingent and establishment registers, documents etc. Is it posted up from actual transactions as they occur and in the order of their occurrence, and are entries made so clear as to be easily intelligible and traceable through the other accounts? If discrepancies and omissions due to mere oversight or ignorance are found, have them rectified in a business-like manner as far as practicable and note here such as are considered to be grave In the case of corrections, see if they are initialled by the President and Agent, and if any of the corrections are not satisfactory note briefly your objections.

II. One entry in the IInd Volume of the Cash Book, which had the appearance of interpolation, was admittedly written several days after the transaction occurred in the amount of space found to exist, fortuitously, at the right place, over the entries of intervening dates. This relates to a sum of Rs 5

said to have been paid to member
bhandrappa (Agent's brother) on
the 1st February 1901, out of the
amount of the loan in respect
of which he had executed a
document in favour of the Bank.
The explanation for the interpolation
is:— the Agent obtained the
amount to take to his brother who
wrote for it from Shirballapur:
he was not sure if the amount
would be required for use or not
and so no entry was made at
the time the amount was taken
from the Bank: the amount was
paid to and used by the Agent's
brother the same day and the
receipt obtained from him given
to the President the same evening:
the President omitted to enter
the transaction in the Cash Book
that evening or the next day
and thereafter both he and
the Agent forgot all about it:
at the end of the month when
striking the balance the omission
was discovered and the inter-
vening entry referred to was
made. Thoroughly unbusinesslike
as this was, there were scraper
erasures in entering the amount,
and the receipt for the amount
was not affixed to the Receipt book

till after the absence of it was noticed at the time of inspection. There were scraped erasures in connection with another entry which related to the President and they had been made to adjust what was intended for payment of interest on a III class loan to payment of principal. The explanation given is that the renewal of the loan by payment of interest was discovered to be objectionable and hence the principal was repaid and correction made the same day. The President was asked to avoid such erasures and make red-ink corrections when necessary. But for the explanation about the inter-written entry referring to disclosing a tendency to embezzle like ways, the Cash Book may be said to have been duly written and regularly kept. A book with receipt-forms and counterfoils for granting receipts to members for payments made by them had not been maintained and the omission had given rise in one case to a misunder-

-standing.

in regard to the appropriation made. manuscript receipts are stated to have been given only to those who asked for them.

The previous sanction of the Board of Directors had been obtained individually to the grant of loans of classes I and II, and that of the General Assembly to the incurring of the monthly establishment charges; but in regard to the grant of loans of class IV and, contingent charges, the President acted on his own authority without obtaining such sanction. As regards items of expenditure amounting to Rs 352-8-5 incurred for filing suits against some of the removed members, there was the authority of a general resolution of the General Assembly requiring the President and Agent to take the necessary steps for the recovery of sums due. All disbursements made with or without proper authority had been passed by the

See if disbursements were duly authorised and are supported by proper vouchers.

21)

General Assembly (41) in their half yearly ordinary meetings

As for vouchers, these had been secured in the case of loans to members, refund of interest, interest paid to Government and establishment charges. No vouchers had been obtained either in the receipt book or on the withdrawal forms in support of the repayments of deposits, nor had any been taken for the amount of interest (Rs 29-5-5) paid to them. Regarding the costs incurred on account of suits, not a single voucher had been obtained and filed in the Bank, while lump sum charges had been entered in the Cash Book as sums sent to lawyers for institution of suits against individuals named herein, for execution proceedings &c., and another lump sum of Rs130 had since been drawn by the President for instituting suits against

3 others. The President has also promised to obtain accounts of expenditure from counsel and file them in the Bank. As regards other disbursements, the President stated that wherever possible proper vouchers had been taken and kept in the Bank but that they had been mislaid in the shifting of the Bank office to Yellowhall and back

The establishment consists of one peon on Rs4 per mensem. The complaining Shanbhogues urged that the peon had little Bank work to do but was employed chiefly on President's private work; but his services appeared to be necessary to serve notices &c. on members several of whom reside in villages at some distance from Vaidyenhalli. As for contingent charges there were some extraordinary items calling for notice The cart hire charged by the President and Agent amounts to Rs 50-8-0, as follows:

On account of 8 visits to Bangalore in connection with the case

Should be refused.

Were the charges incurred under Establishment and contingencies real or fictitious either wholly or in part, and if real, necessary? Is the rule about members rendering gratuitous service duly respected.

22)

against school master Linappa (a) to be present at the hearing of the suit (b) to bring back exhibits filed and (c) to institute execution proceedings ... 25-0-0

(2) On account of 5 visits to Chickballapur and one visit to Bangalore in connection with the suits against Doddmuniga Chikmuniga and Honnappa (a) to institute suits (b) to instruct counsel (c) to be present at hearing (d) to obtain copies (e) to institute execution proceedings and (f) to instruct lawyer ... 11-0-0

(3) " account of 5 visits to Devanhalli to bring money from Treasury and pay interest to government 5-8-0

(4) On account of 2 visits to Bangalore to get the proceedings of the General Assembly printed 4-0-0

(5) On account of a visit to Gidlighatta to meet the Inspector in September 1898 5-0-0

50 8-0

The President has friends and relations in Bangalore and has occasion to go there frequently:

While charges like those referred to in (4) might arise a suspicion that efforts were sought to make the Bank bear the cost of private visits, the explanation of the President would to show that he could if he was so inclined have charged much more, but desisted out of consideration for the Bank. There were no less than 11 sittings in the case against Schoolmaster Chinappa. On some of these occasions when he happened to have private work at Bangalore in addition to Bank work he claimed no travelling expenses from the Bank: on other occasions except when account books had to be carried he charged a single person's travel fare. and on all occasions he charged nothing on account of boarding &. consideration he would not be able to show in regard to the three suits he had since filed in the Kodballapur Munsiff's Court, for he had no friends nor private work at Kodballapur and there was, he thought, no reason why he should go and stay there at his own cost in connection with those suits.

23)

Despite cost on account of the 45
travelling expenses of the President
and Agent now borne to increase
unless the rents were disposed of
at the first hearing - as regards
items 3 and 4 of the cash there
above, the Rs 50 were not
peculiar to the Bank although
there are 47 other banks with
their office at one distance
from the Kadak Railway like
this, and 60 situated at a
distance from places where
printing offices are to be set.
As regards item 5 the charge
being a guarantee not
aware that the President
would make a hard made
the charge. Lakshmeshwar is
only about 9 miles from Ga-
-dag hall but the President
says that he went there in the
Director's absence and had
to stay there for 3 or 4 days
On another occasion when the
President was asked to meet
me at Devanhalli owing to
difficulties in coming at
Yadiyurhalli when it was
proposed I found that a
charge for cart hire was

been made, and it was at
first intended that the Bank
should be made to bear any
cost on account of a journey
undertaken in but my own
convenience, I at once paid
the account and directed
credited in the Bank Book.
I did not see that no
reason for such charge
elsewhere, there had been
instances of Directors or Ja-
maica Bank officers requiring
Bank officers to meet them
with their books at their own
but that gentlemen had
claimed & taken no allowance
in the Banks for such service,
although the trip were to their
inconvenient and involved some
cost, and in one instance they
felt as humiliating
another extraordinary charge
was on account of kerosine
oil one thousand pounds.

Excepting that the President
and Agent had obtained travelling
allowances as above in respect
of services requiring their attendance
other stations and that they
and the Directors remained

Note date of the last entry in the Cash Book, and the cash balance on that date according to the Cash Book and as forthcoming in the bank's chest. Are instances frequent of the transgression of the limit fixed in the articles of association for cash balance in the hands of the Board of Directors, and how are they explained? Are large sums kept in hand for any length of time without being utilized? Is the facility afforded for keeping current account with the Treasury utilised as far as possible for minimising cash balances, if not, how is the omission explained? Has there been any complaint or ground for the belief or suspicion that needlessly large balances are retained by the Agent or President for surreptitious use by himself or other members of the Board.

to take large sums the pule about
members rendering gratuitous
service may be said to have
been duly respected

On the 31st December 901
which was the date of the
last entry in the Cash Book
& to which of inspection,
the cash balance according
to the Cash Book was Rs 4-
forthcoming in the Treasurer
possession was Rs 133-15-4. The
limit prescribed in the articles
of association for the cash
balance in the hands of the
Directors is stated to be Rs 1000
As this was unnecessarily large
it was thought likely suggested
to them reduced to Rs 300 or
400 but the President stated
that the power of this may
before from the matter was
placed decided that the limit
should be as large as that
originally fixed and that
the amount of cash balance
should be in his possession
as that it might be readily
available to members desirous
of withdrawing loans It is expected
that members feared the

necessary would not be readily
cashed at the Taluk Treasury
from cases which were too
delicate to be expressly men-
-tioned, and we find accordingly
that the provision for keeping
current account with the
Treasury was never objected
and no part of the cash
balance was ever sent to
the Treasury although at
times the balance has ex-
ceeded Rs.1000/- As regards
such excess the explanation
-planation is that the balance
was never allowed to exceed
the limit of Rs.1000 at the
close of the month when the
balance is struck and that
any excess occurring on other
days of the month was
understood to be no violation
of the rules since the instructions
from the Director's office were
to the effect that balances
should be struck at the
close of a month - a strange
result of a procedure sug-
gested by this office namely
the necessitating the checking

25)

of the records. The President further directed that at the next such Durbar a Committee would be on hand for 2 or 3 days, that when members came to know of funds being available applications would come in for loans and that though a five days interest was lost the convenience derived to members was great. A recess being taken to give publicity to the result of each working day's transactions and the state of cash balances those who came to know of funds being available ought to avail themselves of opportunities for obtaining loans, were matter only, next to the President and the Agent, those about them.

The general results of the Bank's transactions up to the end of December 1901 the ~~date of inspection~~ were as follows:—

Note the general results of the bank's cash transactions up to date of inspection in the appended form and see if the Cash Balance Sheet last submitted by the bank is correct in all particulars.

III According to the Articles of Association the limit of loans of class I, class II and class III is Rs 1000, that of class IV Rs 50, and that of total liabilities Rs 1500. In the case of Director Venkatrajabhat the total liability including that incurred as surety exceeded the limit of Rs 1500 by Rs 30. The explanation afforded by the President is that under a private arrangement Venkatrajabhat took only Rs 300 out of the 2nd class loan of Rs 1000 standing against his name the balance being taken by the sureties (1) the President himself and (2) Director Muniyappa, and that he (the President) was under the impression that the liability of each of the three that jointly obtained the second class loan of Rs 1000 could be separated and taken notice of separately for the purpose of the above rule; but there was no record of any such distribution in the Bank office The President stated that the error would be rectified by the early recovery of instalment due by Venkatraja Bhat.

The question of fixing a limit to loans with reference to value of property had not been placed

12. As regards loans to members, note if, in addition to the restrictions and limitations prescribed in section 42 of the articles of association, the General assembly has prescribed any limit with reference to the value of the landed property held by applicants for loan or offered as security by them; whether loans have been granted to any in contravention of these rules, members of joint Hindu family being taken as representing one account; how such transgressions are explained or proposed to be rectified; had any loans been granted to other than members in need or had any deserving applicants been denied to favour particular individuals, and had such instaces produced feelings of distrust and discontent and impaired the cordiality and unanimity expected to exist among the body of members; are objects for which loans are applied for, explained with sufficient clearness in the Darkhasts; is the application and use made of loans watched by the Board of Directors or other authority; have there been any instances of non application or misuse, especially of sums obtained having been used by any member for purposes of trading or private banking or money lending.

26)

before the General Assembly though Mr Chenjaiah Chetty had spoken to the President on the subject, but the President says that the land given by that officer was considered to be sufficient and that the limit of 50 percent had not been exceeded. There were however, 6 cases in which the total of liabilities considerably exceeded the value of property mortgaged to the Bank in respect of the 1st class loans and 5 more in which the liabilities exceeded 50 percent of the said value; but taking the entire property of members, including lands etc not mortgaged to the Bank, two of the above 11 come within the 50 percent limit but not the remaining nine as shewn in the subjoined statement.

No.	Name	Loans outstanding			Liability as surety	Total	Property mortgaged to Bank	Total value of property including lands &c. not mortgaged
		Class I	Class II	Class IV				
1	Ramakrishnappa	500	-	-	1000	1500	2,948	4,040
2	Patel, chikkegouda	90	-	50	300	440	210	250
3	Sangiti Appiamma	300	300	50	-	650	1,198	1,283
4	Surabhatta	150	-	40	300	490	768	1,075
5	Chennarayappa	300	300	50	-	650	513	850
6	Venkatāraya Bhatta	480	1,000	50	-	1,530	1,150	1,150
7	Puttuviamappa	50	-	-	300	350	590	590
8	Muniveṅkatā	300	-	50	-	350	500	500
9	Kuppallimuniappa	200	-	-	1,000	1,200	600	600
10	Irugimdappa	.	.	50	500	550	-	880
11	Madda	-	-	50	300	350	-	130

The large excesses in the cases of Vakil Chickegauda, ~~and~~ Muniyappa and Mudder were due to men of slender means having been admitted as sureties to make up the required number of sureties under the rule, and the President explained that the surety ship of these men of slender means was not without value and that he understood the limit of 50 percent to apply to loans of the 1st class only and not to the entire liability of a member.

On the one side there were members who had not received any loans or had obtained only small hand loans but were waiting for the Bank being in possession of funds to be paid what they were in need of; on the other there was correspondence going on for payment of instalment to Government. The Bank authorities by means of recoveries came to be in possession of funds, but gave little thought to the one or other. To take a couple of recent instances—, in September last there was enough in the Bank to meet the wants of a large number of poor members or pay up one instalment to Government; but without recording any reasons for the loan the President took Rs500 and gave Rs300 to Director Venkatraja Bhat (Kumarchak) and Rs200 to Director Munuppa

53)

although these gentlemen had previously received several loans from the Bank, and were indebted to the Bank at the time in large sums, as shewn below:-

Name	No. of loans previously obtained 1st class	2nd class	4th class	Renewals obtained	Amount outstanding on the date of loan
1. President	1	1	11	8	Rs 500
2. Venkatrajbhat, Director	1	1	5	5	530
3. Muniappa Director	1	1	3	5	200

Again in November last when the Bank was in possession of funds by the execution of the decree obtained against school master Sinappa, the Agent took Rs 5 00 and a Director named Appaiyanna Rs 300, although these gentlemen had likewise previously obtained several loans and were indebted to the Bank as shewn below:-

Name	No. of loans previously obtained 1st class	2nd class	4th class	Renewals obtained	Amount outstanding on the date of loan
1. Agent	1	1	10	8	450
2. Appaiyanna Director	1	1	5	1	350

The objects for which these large extra loans were taken by the office bearers were as explained by the President as follow:-

1. by the President - to prepare himself for the marriage of his daughters
2. — " Agent — to meet expenses of house-building, an extravagant undertaking
3 — Director Venkatrajulu - to meet expenses of the Upanayanam of his nephew and improvement of a Devadaya land
4 — —— Muniappa - to build a house
5 —— Appayamma - to pay instalments to Bank and for other purposes not known

Loans for such objects were not in conformity with the existing rules and they show that the office-bearers looked more to serve their own interests and purposes than to administer the affairs in a manner to benefit the general body of members.

Forms of applications for loans with columns for information on all material points including purposes for which loans are required have been prescribed and circulated but they are not indented for and used by this Bank. The applications for loan

559 28

refer to purposes in vague terms such as to discharge debt and execute agricultural works. Those for 2nd class loans do not contain even this vague allusion to purpose, and those for the 3rd class loans are stated to have been made orally. In keeping with this indifference & regardlessness as to ascertaining and noting details of purpose, there was the absence of any requirement for a balance-sheet showing as to the purposes for which loans obtained were applied.

As noted above, the office-bearers were themselves interested in withholding such details from the auditors and the general body of members. Instances of misuse, so far as could be ascertained have been referred to above the most glaring being the diversion by the agent of money expressly obtained to lodge in court, for meeting expenses of building a very costly house

In the form given for showing the several purposes for which

Note the sums obtained and used for the several purposes indicated in the appended form.

A. P.	
Re.	

nine were obtained and used, particulars of amount obtained cannot for the above reasons be given. Particulars of amount to rent, so far as could be gathered are:-

(1) For discharging encumbrances	2,198
(2) " " other debts	4,078
(3) " presumably Agricultural work (that is the difference of sums obtained for both repayment of debts and Agricultural work and the above two items)	4,199
(4) To extend holding - - -	525
(5) " House building - -	1850
(6) For payment of instalments to Bank	325
(7) Marriage expenses -	850
(8) Temporary expenses (and land improvement)	300
Not accounted for, about	7,000
	21,325

XIII. The mortgage deeds executed in favor of the Bank by 22 out of 29 members who had taken 1st class loans were in the custody of the President those executed by 3 having been returned to them on repayment of the loans obtained, and those executed by 4 others having been produced in Court in suits filed against them. Nine deeds are in the form prescribed, the others executed before the form was prescribed provide for terms regarding repayment of

13. As regards securities obtained, note if the mortgage deeds in favor of the Bank are in proper form executed by the proper persons and duly registered; if prior mortgages in respect of property hypothecated to the Bank had been fully discharged and the mortgage deeds (duly discharged) produced in Bank together with title deeds; in case of exceptions, when the mortgages are likely to be discharged and their amount; the proportion the loans of first class bear to the amount of property mortgaged; notable cases of undue preference if any with explanation; whether good and sufficient personal security was obtained in the case of the second and third class loans; whether in the case of simple debts repaid, documents discharged, receipts &c. obtained had been produced, and in case of notable exceptions when they are expected to be produced.

5th

principal by equal annual instalments and payment of interest at fixed times. The documents are registered and may be said to have been executed by proper persons. Property mortgaged to the Bank consisted of 391-30 of land — and 27 houses. Prior mortgages in respect of 69-4 of land and 8 houses had been discharged and deeds covering them produced in Bank. Lands + valued at more than Rs.500, mortgages to the Bank by the Agent had not yet been freed from incumbrance on account of a dispute regarding the amount payable to the mortgagee. No title deeds had been obtained and filed. The President said that matters relating to lands mortgaged had been obtained and referred to, but returned since to members for delay of payment of revenue to Government. The amount of loans of short outstanding against members was less than 50 percent of the value of property mortgaged except in

the case of two members, the
loans outstanding against
whom amounted to 60 percent
of the value. There were instances
of undue preference as regards
the complaint-allegations
about the property hypothecated
by the Agent, namely, that
some of them were not
exclusively his, and some were
subject to litigation, the President,
while endeavouring to show
that the Agent had hypothecated
other valuable property in
addition to those referred to,
said that the loan to the
Agent would be reduced to
Rs. 325 by payment to Bank
of a sum of Rs. 350 which he
was to get from the Court;
this sum of Rs. 350 was not
received, nevertheless he was
allowed to draw from the
Bank Rs. 450 which had been
reserved for payment to a
mortgagee and was further
granted a large 1st class loan
to enable him to complete
his big house. His younger
brother was granted in August 1907

30)

was at once given a 1st class loan of Rs 600 while large numbers of poorer members had been kept waiting for receipt of funds. Similarly, member Krishna Sastri, a relation of one of the executive members, the last to be admitted, was given a loan of Rs 300, although he is employed far away, and cannot be expected to take active part in the proceedings of the Bank. The same may be said of the loan of Rs 1000 to Shanbhog Seshayya of Kanakwar, Chikballapur. As regards 2nd class loans, proper personal security cannot be said to have been taken, for instead of there being one principal and two sureties all the three who jointly executed a promote and obtained a loan thereunder were principals sharing the amount among themselves under a private arrangement. The President said that he was under the impression that three persons who were in need of loan might combine and take a combined loan each being a surety for the two others, and having what he wanted In

Absence of simple debts, liabilities, documents, and other vouchers had been produced

The particulars of loans out-standing are:—

Note particulars in the appended form of loans outstanding against members at date of inspection exclusive of repayments.

1st class.	2nd class.	3rd class.	4th class.	Total.	Value of property under mortgage to Bank as estimated by Director
6,644	2,100	nil	1,445	10,189	24,222

XIV. The President has, by his professions been fully alive to the importance of the rule requiring strict punctuality, but it cannot be said that the rule had been enforced in all practicable cases. It had been enforced in the case of a few members, even to the extent, as regards one or two, of giving the proceedings against them, the appearance of harshness, but had been allowed to be evaded in the case of others, 1st by the usual plea of bad seasons and plague scare, 2nd by paper transactions i.e. by the grant of II nd or III class loans to make up instalments due, 3rd by allowing renewals, and when these could no longer be granted, by allowing temporary repayment and retrieval shortly thereafter

14. As regards punctuality, completeness or otherwise in the payment of dues by members—note whether the rule requiring strict punctuality is borne in mind and enforced in all practicable cases, or whether there is any unhealthy tendency to evade it; how many are defaulters (1) among office-bearers and (2) among other members; the amount of instalments overdue remaining unrecovered at date of inspection, the amount of 2nd, 3rd and 4th class loans likewise overdue remaining unrecovered; causes of unduly large arrears and large number of defaulters; whether proper notice had been taken of defaults and adequate steps taken for recovery of arrears; whether renewals were granted with prudence and discrimination; whether the interest and penalty due to the bank had been fully recovered and whether the interest due to Government and to other creditors duly paid; arrears if any how explained and when expected to be paid.

and renewed again, followed by temporary payment, redemand and renewals, almost ad libitum. The President's explanation is that such help was not applied for by those removed nor was there then the rule permitting II-nd class loans, that further experience gained had shewn that such help could be given and that such help was accordingly been applied for since. The President, Agent and other office-bearers had freely availed themselves of the "help" and allowed it to others. The defaulting office-bearers are 41 and among other members 12. The instalments &c. overdue and remaining unrecovered were:—

1. Instalments.	2. II cl. loans	3. III cl. loans	Total
Rs. 1,326.	Rs. Nil	Rs. 200	Rs. 1526

Renewals cannot be said to have been in all cases granted with discrimination. Their number had been allowed to exceed the limit prescribed by the General Assembly in the case of the President's brothers widow and of a director. Excepting from one member and from the

two hundred members against whom action suits had been filed, the interest due to Bank had been recovered, and that due to Government paid.

XV. The surplus calculated up to the end of December 1901 amounted to Rs 571-11-10. Deducting from this the amount of arrears of interest remaining to be recovered there was a surplus of Rs 399-6-9 actually realised No portion of this had been carried to the Reserve Fund by resolution of the General Assembly out of the said surplus realised, the Bank authorities spent Rs 367 odd on account of Court costs (namely Rs 341 odd in connection with the suits filed by them and Rs 26 odd in connection with the application to the High Court for permission to extend alterations), and out of this they recovered through process of Court Rs 162 odd, leaving Rs 205 odd to be hereafter recovered or written off. Excepting the excess of what may have been paid to Counsel on account of their fees (of which the Bank

15. As regards surplus—Note what this amounts to up to date of inspection, taking into account the arrears remaining unrecovered of interest and other items of income; how much of this has been realized; what amount has been carried to the Reserve Fund by resolution of the General Assembly; how the Reserve Fund is invested; how the remaining surplus is used or secured; whether any and what special charges tended to reduce the surplus; and if the Bank has other assets what they are and their value.

had no voucher, over what the Courts may allow and such other miscellaneous costs as may not be allowed by Court, the amount used to meet Court costs may in course of time be recovered. Next, the President and Agent had paid themselves Rs 50-8-0 on account of cost of travelling, and this the Bank was not yet back. They had used Rs 78-12-5 in the granting of loans to members and had on hand Rs 44-11-8 for use on account of current expenses such as establishment and contingent charges. As they had only recently filed three suits and were likely to incur some amount of unrecoverable expenditure in connection with them, such as those they had incurred in other suits, there was no near prospect of the Bank forming or fostering a Reserve Fund. The other assets of the Bank besides loans to members outstanding, amounting to Rs 10,164-6-5, were furniture, the value of which may be estimated at Rs 15/-

The

16. As regards meetings of General Assembly, note whether the rules for convening these, the conduct of business therein and the recording and registering of resolutions are understood and duly given effect to; if not, explain the same to the office bearers and others present; note whether meetings had been held regularly every half year; whether any and what number of extraordinary meetings had been held since last inspection; whether notices had been duly given to members; whether members were generally taking interest in the Bank affairs or whether there was party feeling; whether special resolutions had been duly confirmed and registered; whether any resolutions were inconsistent with the articles of association or other provisions of law.

16. There is about the convening of meetings and conduct of business therein are understood. Exclusive of the first meeting after incorporation, 12 meetings had been held of which 10 were for the consideration of balance sheets and other business and two were extra-ordinary meetings. The proceedings of nine meetings containing special resolutions had been registered and those of one, (the first held) had been sent up for registration -

The complaining shareholders urged that the proceedings of 9th June 1897 had been tampered with by the insertion of words authorising the appointment of Venkatarasappa as Agent though sanction to the appointment had not been accorded. The President affirmed that the words were written in accordance with the sense of the meeting before any of the members signed the proceedings but they had the appearance of having been interpolated after the signatures had been

made the complaints found the
appointment had, however,
been considered in subsequent
meetings and the appointment
duly recognised. The resolutions
of one of the extra ordinary meet-
ings, the one held in the presence
of Mr Narasinga Rao for bringing
about reconciliation between the
contending parties were not con-
firmed. They were followed
by several of more of the con-
tending members and resolu-
tions of more suits. The Resident
visited the scene.

17. As regards Board of Directors, note whether and how often they meet for transaction of business; whether their resolutions are duly recorded in a book; if they do not meet, what arrangements exist for the discharge of their duties and functions and what record exists of their proceedings; whether any and which of them have been taking special interest in and working with zeal for the progress of the institution.

XVII. The members of the Board were
not in the habit of meeting on
appointed days for transaction
of business. All the important
Resolutions of sanctioning 4 cases
&c. (which were 258 amounting to Rs 11,10,70
during the five years) had been left
to the discretion of the President
Now the President says that
the Directors considered it un-
necessary trouble and waste
of time to be called upon to
join who shall be. The

ber per tenn of the 1st and 2nd
classes are entered in a Book
called the Pass Book and in
this the opinions of Directors
are obtained by circulation.
The Directors appear to have
met together on three occasions
to consider the petitions presented
to the Bank by complaining
members.

XVIII. A committee of three members
is appointed, called the executive
Committee which meets once
the balance sheet and does
a kind of supervision. The
President is supreme

XIX The Registers and accounts kept
in the Bank are :—

18. As regards supervision, whether any and what arrangements the general assembly had made for control and audit, are they effective and satisfactory.

19. As regards registers and accounts, see appended list, note therein which of them is kept and how.

List of Registers and Accounts	State of Register or Account	Reference to paras in Inspection report noticing the Registers and Accounts
I. Register of members	Exclusive to show occupation of members wanted.	Para II pp 7-25
II. " of applications for loan	Particulars of property offered as security not given. Purpose of loan vague.	Para XII pp 53-56
III. Cash book	Showing a few balances, nearly [illegible]	Para XI pp 37-39
IV. Ledger	Properly kept	
V. Minute book	contained interpolation unprecedented by precedent; the proceedings being entered amidst talk and bustle without a draft of them being previously prepared and passed. Errors are recorded also a few Letters ordered by the Board of Directors.	Para XVI p 66
VI. Register of balance sheets	Kept in proper form, but in loose sheets.	
VII. Property Register	Not in the Prescribed form. do	Para VII pp 26-28
VIII. Register of monthly cash abstract	Drafts kept in loose sheets	
IX. Register of bonds	Incomplete; Loans received since July 29 having yet to be included.	
X. Receipts by Bank	Not maintained	Para XI p 39
XI. Depositors' Ledger	Do - Transactions shown in General ledger.	
XII. Treasury pass book	In the prescribed form	
XIII. Chalan book	— do —	
XIV. Cheque book	— do —	
XV. Receipts by members to Bank	Maintained It contains also receipts obtained from the Govt for disbursement of pay.	Para XI f 37
XVI. Register of Directors	Properly maintained	
XVII. Register of Directors' Proceedings	Not separately maintained	Para XVII pp 65-66
XVIII. Register of applications of loans	do	Para XII pp 54-55
XIX. " of Contingent expenses	do	
XX. " of disbursement of pay to Establishment	do	
XXI. " of From letters	Properly maintained	
XXII. " of To letters	do	
XXIII. Visitors' book	Not maintained	

[illegible] Mr. [illegible] in the prescribed form

XX. A list is appended shewing the several complaints preferred against the President and Agent and containing references to the explanations given by the President, which are also appended.

The list is long but the explanations, taken as a whole, seem to have the merit of candour to a fair extent, shewing the President to be not devoid of honor. The complaining Shareholders themselves stated to me on several occasions that the President was personally a good man, but they thought he had been spoilt by the evil influence of the Agent.

The President produced a favorable impression on the mind of Mr Chevigné Clerke and at one time, also on the mind of Mr Rangavadoo Annaldoss; my impression of him was that he was sincere in his professions and was striving to rescue the Bank from

tout, and has managed to
acquire property. The com-
-plaining parties were particularly
averse to him repeated sug-
-gestions were made to the
President to get another ap-
pointed as Agent but he
urged that a change was
not practicable. A suggestion
was made that he might
take up the office of Agent
with a non-Brahmin
member of sufficient im-
portance as President, but
was told that this too was
not practicable. The impression
of the Presidents followers,
i.e. the present body of
members, seems to be that
without him the Bank
cannot stand, and he
on his part seems to think
that without the present
Agent he cannot work.
He says he can get no
other possessing the same
property and literary
qualifications, in addition

he can confide.

It might be said that the question of changing the President or Agent now became immaterial, since those who were opposed to them had all been removed and the present body of members did not seem to desire a change But, of late, the Bank had become a sort of family concern in existing the officebearers and their relations, and unless provision was made for adequate and efficient control, there was no guarantee that any improvement could be effected, or that Government interests were safe. When the guarantee of character is found wanting, or at any rate, inadequate assuring the ability of watching interests exceedingly large and can never be performed to one's own satisfaction

In my opinion the question of withdrawing the Government loan may be taken into consideration

aeration
under the President, the Agent and other members of the Board of Directors do give an undertaking to the satisfaction of the Deputy Commissioner—

(1) that days and hours will be fixed for the transaction of Bank's business and intimation of the same given to local authorities;

(2) that the President, Agent and a quorum or more of the members of the Board of Directors will regularly meet at the Banks office on the days and hours fixed and transact business;

(3) that complete and accurate lists of the lands and houses of all the members, wherever situate, will at once be entered in the prescribed printed form of register;

that the members will agree at a general assembly to be convened early not to alienate any of their lands and houses without the consent of a general Assembly;

Nos may be ordered and a fine fines

(5) that the limit reserved to the Bank's funds will on no account be exceeded without obtaining previous sanction from the proper authority;

(6) that the limit of debit entered in the Current Account be fixed at 50 (one) lakh of the value of customer's property, and loans in excess recovered at the earliest possible opportunity;

(7) that the limit of cash balance in the Directors' hands will be reduced to Rs.100, and sums in excess of the limit lodged in the Government Treasury or in a Savings Bank;

(8) that preference will be given to applications for small loans and to such as had not previously obtained loans or had discharged what they had obtained;

(9) that all applications, whether for large or for small loans, will be dealt with by the Board of Directo-

(14)

the Bank office in the presence of such of the members as may choose to be present;

11) that the rule requiring punctuality will be strictly observed and enforced;

11) that the instalment and 11th class loans overdue and the 1st class loans improperly granted will be promptly recovered;

12) that the first instalment to Government, already overdue, will be paid by the end of March 1902, and the second instalment by the end of June 1902 (or such further time as the Deputy Commissioner may grant);

13) that the objects of loans will in future be duly specified in applications and the use made of them ascertained by enquiry;

14) that the securities obtained by the Bank together with title deeds will be lodged in the Treasury;

15th that not less than 5 per cent. of the surplus will every half-year be carried to the Reserve Fund;

16th that the General Assembly will be moved to elect a competent body of two or three members from among the members to undertake both, for purposes of supervision and control.

P. Ramachandraiya

The 14th February 1902 Inspector of Agriculture Banks
No. 229 ex. 5 (in a book form) V Banks circular
Submitted to Government
through the Deputy Commissioner
Bangalore District
15th Feb. 1902. P. Ramachandraiya
Inspector of Agriculture
Banks.

List of Appendices to the

Report on the Inspection of the Agricultural Bank

at Vadigenahalli, Devanhalli Taluk,

Dated the 14th February 1902.

I.	List of new Villages Registered under the Sanction of the Chief Court.
II.	Judgment of the Court of the Additional Munsiff of Bangalore in Original Suit No 975 of 1
III.	Judgment of the Court of the Additional Mun of Bangalore in original Suit No. 439 of 1897-9.
IV.	Particulars of property of the members of t Agricultural Bank at Vadigenahalli
V.	Notes of Enquiry - pp 1 to 39 with a petit dated 14.12.01 presented by Hanumantaray and six others, and an index to Complai and explanations

I.

List of villages registered under the direction of the Chief Court -

of village	Taluk to which it is attached	Distance from Nadupatnam
[illegible]halli	Devanhalli Taluk	2
Kodmadenhalli	"	2
Kamandra	"	1
[illegible]	"	1
[illegible]	"	8
	"	3
[illegible]	"	12
[illegible]	"	3
[illegible]	"	3
[illegible]	"	19
[illegible]	"	2
[illegible]	"	2
[illegible]	"	21
[illegible]	"	1
[illegible]	"	4
[illegible]	Sidlaghatta Taluk	3
Kachahalli	"	2.
Chantasandra	"	4
Sidlaghatta	"	7
Adderu	"	4
Kimbadhalli	"	1
Shaganahalli	"	4
Kunjula-timmanhalli	"	4
Kammungala	"	6
[illegible]	"	"
[illegible]	"	1
[illegible]	"	3
[illegible]	"	3
[illegible]	"	10
[illegible]	"	5
[illegible]	"	13
Srinivasagar Tank	Chickballapur Taluk	15

33	Hadaraa	Chikballapur Taluk	1
34	Chikdasapura	"	"
35	Ramabarra Amanikere	"	1
36	Thammanjala	Chintamani Taluk	8

Main Examiner
Inspection of Arie. Banks

Compare

amount paid towards interest is not more than Rs 29-2-0-4

4. The following issues were framed on 29-5-99 viz.

(1) Whether the Defendant was bound to redeem the mortgage in favor of Bhan-Veerappa earlier than he admittedly did

(2) Whether the Defendant tendered the first instalment of the debt with the interest due for the 6 months subsequent to 30-6-97 and if so when and whether the same was wrongfully refused by the Plaintiff

3 Whether if the tender be found to be false or invalid, the Defendant is liable to pay the whole amount claimable under the bond or only a portion thereof, and if so how much i.e. whether any portion of the claim is premature.

4 Whether the Defendant is liable to pay annas 5 as charges for demand notices.

5 Whether the Defendant is liable to pay Rs 5 as a fine for default in his contract

6 To what relief is the Plaintiff Bank entitled.

(2) II

In the Court of the Additional Munsiff
of Bangalore

Original No. 975 of 97-98

Plaintiffs

Vadiguhalli Sree
Kesavaswami Agricultural
Bank by President
S. T. Ramakrishnappa
their Agent Chickanarasappa

vs

Defendant

Schoolmaster
Seenappa

Judgment

The plaint states that Defendant executed the plaint hypothecation bond on 26-10-96 for Rs 800 payable in 10 years by instalment of Rs 80 a year, with interest payable half-yearly at 5½ percent and that the loan was actually advanced on 28-11-96 that defendant agreed to discharge a prior encumbrance or mortgage held by Channeerappa over the 4th item (house) and failed to do so and that defendant failed to pay instalments and interest as agreed. that defendant agreed to be bound by the rules of the Bank,

and

7 The suit came on for final hearing by adjt on 7-10-99, 29-11-99, 20-3-1900 and 18-6-1900

Plaintiffs appeared by Mr. S. Krishna Rao and Defendant by Mr. Subroya.

8 Plaintiffs examined (1) Defendant Seinappa and (2) 1st Plaintiff Ramakrishnappa and filed the following exhibits viz:-

A 29-10-96 Plaint hypothecation Instalment bond

B. Copy of notice C

C Notice from Plaintiffs to Defendant

D 19-2-96 Hypothecation bond by Defendant to Channerappa

E 2-5-97 Defendants reply to Plaintiffs notice of 23-4-97

F 23-8-97 Plaintiffs notice to Defendant

G 12-8-97 D:——— D:———

H 22-4-97 D: ——— D:

I 4-5-97 Banks Proceedings on Defendants reply E.

VI
18-12-97 Defendant's reply to Bank's notice I

VII
5-98 Defendant's petition to the Bank

VIII
23-1-98 —— D% —— D% ——

10. Findings. I find on the 1st issue that the Defendant was bound to redeem the mortgage in favor of Channeerappa earlier than he admittedly did. The agreement A between the parties stipulate that the Defendant will redeem the said prior encumbrance and hand over the bond (D) held by Channeerappa to the Plaintiff Bank. The loan having been made on the security of the property hypothecated to Channeerappa as well as on the security of the other properties and the object of the loan being to enable defendant to clear his debts and to improve and cultivate his lands, it follows that defendant was under an immediate obligation to discharge that debt, but he admittedly failed to do this till 31-10-97 about a year after the loan made by the Bank. His excuse is that immediately after borrowing money from

the Bank, he tendered the money due to Channeerappa under D, but that the latter said that as one year's time for payment was mentioned in D. and there was still a few months to run and he did not want to lose interest he would not take the money and allow defendant to redeem. This plea will not avail the Defendant, for if he could not redeem at once or within a reasonable time, he should not have undertaken with the Bank to do so. Further the refusal of Channeerappa to be redeemed within the currency of 1 year mentioned in D, even if true, was wrongful and unjustifiable as there is nothing in the wording of D. to prevent the Defendant from clearing the debt within such time, which was fixed merely for the convenience of the debtor so it was competent for defendant to compel Channeerappa to take the money and be redeemed. In any case on his refusal to do so, the defendant ought in fairness to the Bank to have deposited the

money,

after the expiration of the said 4 months tenable
Defendant to redeem Chanveerappa, but the
Defendant failed to clear that debt even
within such time and the day when he
will do so being left uncertain the Bank
rescinded the contract - a few days afterwards
the Defendant redeemed Chanveerappa
and gave the bond to the Bank with a
petition to be excused for his default and
to treat the contract as subsisting. The Bank
informed him that he was too late, though
having a right to the bond, they kept it while
insisting on the contract being treated
as broken and the full amount of the
loan paid up. They had a right to do so.
Further the 4 months time granted to
Defendant was a mere concession unsupported
by any consideration. In any case the same
having been granted by the Bank in a
formal way by resolution, when the Defendant
failed to redeem within that time the rights
of the Bank to the full amount accrued and
it is doubtful if there is anything peculiar in the
relations between the Inspector of Agricultural Bank
and the Bank as one of such Banks
or if there is any special feature in his functions
to enable him to grant to a debtor of the Bank
any further times for payment than the Bank
itself has given in its contract with the debtor
or in its resolutions - so that even if the Inspector

of Agricultural Banks agreed with Defendant to give him time indefinitely until he realised his potato crop, and even if he advised the President in conversation to wait for such time before taking action, and even if the latter told the said Inspector, he will so wait, it is not shown that the said Inspector was competent to extend the time in this informal way, and it does not appear how the Defendant can take advantage of any indefinite promise made by the President to the Inspector in the course of conversation, as though the promise had the same effect as made to him by the Bank or creditor itself as a matter of fact however the evidence on this point is hazy; while the Defendant admits that the potato crop only realised 50 Rs. after all at this stage it will be well to refer to the exhibits bearing on this point (and admitted by the parties.)

Ex H dated 22-4-97 is the Banks notice to the Defendant (and other debtors). Herein the Defendant is asked why he did not as yet bring the mortgage bond held by them over and is given 3 days time either to clear that debt and bring that bond or to deposit the money with the Bank to enable it to redeem

are the notices which were thereupon sent to the Defendant, and wherein the Defendant is therein reminded of the Bank's demand for the bond, and threatened that if he does not bring it soon he will be dismissed from membership and will have to pay the full amount - Afterwards we have another circular of the Inspector dated 4-9-97 complaining that monies borrowed to pay debts are not often so used and that in such cases arts 54-58 of the Articles of Association (V) should be enforced. As the Defendant did not pay up to him or as per his within the four months extended time given him, the matter was put before the Board of Directors who on 6-10-97 recorded their opinion A A of which O is a copy. When the matter was reported to the Inspector the reference being dated 29-10-97 stating that as Defendant defaulted, the contract with him was rescinded and three weeks time was granted him to pay up the whole amount - On this the Inspector endorsed "act up to Rules" - then further instructions were sought for (on same paper) as to the mode of enforcing the claim against Defendant - Then the Solicitor advised a civil suit as the

only remedy the said advice being P dated 13-12-97 in the meantime, after the Directors recorded their opinion A, A on 6-10-97 the Defendant was informed of the same in the notice of demand C dated 7-10-97 of which B is a copy and wherein Defendant was informed that he defaulted and he must pay the full principal and interest in 3 weeks. The Defendant thereon 31-10-97 submitted the petition, V and along with it Chanuerappa bond. The Bank kept the bond but endorsed on the Defendants petition that it was too late and he may petition the Inspector of Agricultural Banks.

In 4 the Defendant says "I did give up the old bonds to the Bank after clearing debts; but Chanuerappa to whom I offered Rs 200 to clear the mortgage on the house said one years time must pass and so I used up the money for the cultivation of my garden and wet land. The Bank sent me notice to bring the bond but the crop is not fully grown and so I could not realise it and clear that debt. The Inspector on his inspection of the Bank on 19-9-97 was

informed that I had only Rs100. He inspected my lands - he believed me - he said "you may pay the Rs100 which you have to Chanveraya and get receipt and give it to the Bank and on reaping the crop, clear up the full balance and get a shara made and give the bond to the Bank that the Inspector told the President and the Directors of the Bank about this that, accordingly on 21-9-97, after paying Rs100 and interest to Chanveraya and getting his receipt I gave the same to the Bank - then before I can reap the crop and clear up the balance and bring the bond (i.e on 7-10-97) you sent me notice demanding the whole amount I am unable to pay the whole now - I bring and give you Chanveraya's bond as the Bank was newly established I did not know its rules well - hence forth I will observe the rules strictly give me a receipt for the bond The Bank endorsed on this - Too late, but Defendant may petition the Inspector of Agricultural Banks - the first Plaintiff admits that the Inspector came to the village about 19-9-97 and that he inspected

the Defendants property in the absence of the 1st Plaintiff who had run into Bangalore and that the Inspector told the 1st Plaintiff that the Defendant would pay Rs 100 now and the remaining sum in 10 or 12 days after gathering his potato crop and that the 1st Plaintiff told the Inspector that that may be done, from V and this admission of 1st Plaintiff it is clear that this conversation must have been on 20 or 21st September 1897. The 1st Plaintiff waited for 10 or 12 days and on 6-10-97 we find he procured the Directors' Resolution AA and sent the notice C to Defendant on 7-10-97 rescinding the contract and demanding the full amount - it is admitted by the Defendant and it appears from V that Channeappa was not released till 31-10-97 i.e. after the contract was rescinded by the Bank - was the Bank bound to wait for more than 10 or 12 days i.e. indefinitely till the Defendant reaped and realised his potato crop merely because the Inspector of Agricultural Banks advised the 1st Plaintiff orally and in an informal manner on or about 20-7-97 to wait as Defendant

kind the Bank The Bank's endorsement on V that Defendant was too late, was therefore justifiable.

13. After the date of P, the Bank sent the notice I on 16-12-97 to Defendant which states that Defendant must pay up the full amount already demanded (in 6) in 3 days. On the same day the matter was again referred to the Directors in Q. Their opinion is R dated 17-12-97 to the effect that the rules must be enforced. On 18-12-97 ~~the Defendant submitted that the effect that~~ it ~~He~~ VI in reply to I in which he calls attention to his previous petition V of 31-10-97 and asks the Bank to take his difficulties already represented into consideration and to deal equitably with him He complains therein that his petition V was not inquired into that the 1st Plaintiff, the President bears ill-will towards him and is working rules framed by the Dewan to keep the poor in a harsh manner. On 23-1-98 the Bank passed the Resolution S dismissing the Defendant from membership as he did not pay up the full amount

as demanded in letter I. On the same day while the meeting was being held the Defendant filed his petition VIII in which he complains that notices were sent to him from ill-will, and that his previous petitions were not inquired into, and he was wrongfully dismissed. On 1.5.98 a formal notice (see H and J.) was sent to defendant by the Bank informing him of his dismissal and demanding the full amount in 3 weeks VII dated 1/5/98 is another petition from Defendant complaining that he was being unjustly treated because of disputes regarding the appointment of the Agent of the Bank.

14 It is true there were disputes about the appointment of 2nd Plaintiff as Agent of the Bank Defendant opposing and 1st Plaintiff supporting that appointment and ill-will may have arisen between the parties on that account. See the Bank's Proceedings IV, V and 6X. There were also disputes about extending the jurisdiction of the Bank

ordinary and excusable defaults etc." It is urged for Plaintiffs that the fine was imposed under the said Article - See the Bank's Proceedings No paras 4, 7 and 8. But this article refers to defaults in making payments punctually. But the Defendant was fined for not redeeming Lehawneeraffa and bringing and handing over his bond to the Bank. On the date of M the 1st instalment was not due and it is admitted that interest was paid up to 30-6-97. So the default, when the fine was imposed, was not a default in payment Therefore part 54 did not apply to the case though for the default which actually occurred endangering the security of the loan, the Bank had the right to recall the whole loan i.e to rescind the contract under Arts 55 and 73 of the Articles of Association and under the general law.

19. On the 6th issue I find that the Plaintiff Bank is entitled to Rs842-2-5 out of the sum claimed.

20. The Plaintiff Bank will accordingly get a decree against the Defendant personally and against the hypothecated property specified in the plaint Schedule for rupees eight hundred and forty two annas two and pies five (842-2-5) only together with

costs and current interest at 6 p.c from 24-8-98 the date of the separate decree originally passed in this case but the Defendant will have six months time to pay up. Pronounced in open court on this the 26th day of June 1900.

(Signed) S.S.A. D'Cruz
Additional Munsiff
Bangalore

Copy applied for by Plaintiff 27-7-1900.
Ready for delivery -- 1-8-1900
Delivered on - 31-8-1900

No. of words 4204
Copying fee Rs 4-0-6
Comparing fee - 0-14-4
Paper cost - 0-2-1
Total Rs 5-0-11

(Signed) K. Narasinga Rao
L.C.

(Copy of an uncertified Copy)

C. Ramachandra Aiyangar
Inspector of Agriculture & Baute
in Mysore.

Copy N.

(3) 111

IN THE COURT OF THE ADDITIONAL MUNSIFF OF BANGALORE.

This 31st day of October 1900.

Before T. S. D'Cruz, Esq., B. A., B. L., Additional Munsiff.

Original suit No. 43 of 1897-98.

Plaintiff.	vs.	Defendants.
Chick Narasappa		1. Seshabatta.
		2. Ramanna.
		3. Narasappa.

JUDGMENT.

I. The plaintiff's case is that 2nd and 3rd defendants are the owners of the suit land. That on 24—1—95 they sold the same to plaintiff for rupees 600 and received 150 rupees in cash and it was agreed that plaintiff should pay the balance of rupees 450 to 1st defendant to redeem a mortgage to that extent made by Gauramma the mother of 2nd and 3rd defendants while they were minors; and that at plaintiff's request the sale deed was made in the name of plaintiff's brother-in-law Malekarjuniah. That Malikarjuniah executed a release deed in plaintiff's favor on 25—1—98. That plaintiff told the 1st defendant that plaintiff was willing to pay the mortgage amount and other incidental charges incurred according to the terms of the mortgage if an account is given of the same and asked him to give up the land and to receive the money. But 1st defendant did not give details and falsely claimed money under an alleged hypothecation. That plaintiff having undertaken (with his vendors) to pay the mortgage money deposited it in the Agricultural Bank and asked 1st defendant in the presence of punchayatdars to take that amount and to give up the suit land with the mortgage deed. But 1st defendant refused the offer. That plaintiff is willing to deposit that money in court, and that the cause of action arose in 93 (this is apparently an error for 98), and so plaintiff prays to be allowed to redeem the mortgage held by 1st defendant on paying him rupees 450 aforesaid, and for the plaintiff's costs.

II. The 1st defendant filed a written statement pleading that he does not know of the sale to Malekarjuniah and of the release by him to plaintiff must establish his right to

redeem, that 3 years after the mortgage the mother of 2nd and 3rd defendants borrowed 50 rupees from the 1st defendant on 29—8—83 and hypothecated the mortgaged land to him agreeing to pay the said sum with interest at time of redeeming the mortgage and so the following sum amounting to rupees 633-0-1 are due to 1st defendant, viz.—

Rupees 450 the principal due under the mortgage.

Rupees 18-13-7 due as quit rent paid for the mortgaged land.

Rupees 5-0-0 spent for repairing boundary marks.

Rupees 1-8-0 spent for making a bund or katti round the land.

Rupees 2-0-6 paid as water cess.

Rupees 1-12-0 spent for putting up a dam.

Rupees 16-6-0 paid as mirasi to the Totes and Talwars.

Rupees 50 principal due under the hypothecation.

Rupees 87½ interest thereon, and that the amount due under the mortgage was not actually tendered and was not refused. The 2nd defendant filed a written statement admitting the mortgage to 1st defendant by his mother and the sale to plaintiff by the 2nd and 3rd defendants and stating that only rupees 450 is due to 1st defendant and that 2nd defendant was unnecessarily made a party as he has no objection to plaintiff redeeming 1st defendant, and that rupees 450 of the purchase money was left with plaintiff for that purpose. The 1st defendant has been exparte.

III. On 19—9—98 the following issues were framed viz.—

(1) Whether the 1st defendant paid rupees 18—13—7 as quit rent for the mortgaged land?

(2) Whether he spent rupees 5 for repairing boundary marks?

(3) Whether he spent rupees 1—8—0 for making a bund or katti round the land?

(4) Whether he spent rupess 2—6—0 as water cess? (Note. This figure ought to be rupees 2—0—6).

(5) Whether he spent rupees 1—12—0 for putting up a dam?

(6) Whether he spent rupees 16—6—0 as Mirasi to the Toti and Talwari?

(7) Whether the 1st defendant is entitled to recover all or any portion of the expenses referred to in the previous issues under the terms of the mortgage deed in his favor?

(8) Whether the mother of defendants 2 and 3 borrowed rupees 50 from 1st defendant, and executed a bond hypothecating the mortgaged land to 1st defendant?

(9) If so, how much is due to 1st defendant there under?

(10) Whether the 1st defendant has a right to be paid the amount due under the hypothecation, before the plaintiff can be allowed to redeem the prior mortgage?

(11) Whether plaintiff tendered the amount legally due to 1st defendant?

(12) To what relief is plaintiff entitled and as against which of the defendants?

The suit came on for final hearing by adjournments on 21st March, 29th May, and 10th and 11th and 23rd October 1900.

The plaintiff appeared by Mr. S. Krishnarow and 1st defendant by Mr. Subroya. The other defendants were absent.

The 1st defendant examined (1) 1st defendant Seshabattah (2) Jaymoonibattah (3) Surbattah (4) Sreenivasabattahchar (5) Hanumuntharoyappa and (6) Konda and filed the following exhibits, viz.—

I/3—9—80. Mortgage to 1st defendant by Gauramma.

II/29—8—83. Hypothecation to do by do.

III/1882—94. Receipt for quit rent &c paid by 1st defendant.

VI/1895-97 Ditto, ditto.

V/1896-97
VI/1899-95
VII/1895-96
VIII/10-5-98 } Receipts for payments of Mirasi by 1st defendant.

The plaintiff examined (1) plaintiff Chika Narasappa (2) Moonappa and (3) Ramakrishnappa and filed the following exhibits, viz.—

A/24-1-95—Sale by defendants 2 and 3 to plaintiff's brother-in-law Mallikarjuniah.

B/25-1-98—Release by Mallikarjuniah in favor of plaintiff.

C/8-4-95—Notice by plaintiff's brother Chendrappa to 1st defendant.

D/8-7-96— Do. do.

E/30-4-95—1st defendant's reply to the notice C.

F/19-7-96— Ditto to the notice D.

G.—Cash book of the Vedigainhully Agricultural Bank.

H/20-6-98—Entry in G.

IV. Findings.—I find on the first six issues in the affirmative.

As regards the payment of quit rent to which the 1st issue relates the same is proved by the testimony of the 1st defendant and of the shanbogue (defence 5th witness) and by the receipts III and IV, while there is nothing to show that the mortgagor or her sons the defendants 2 and 3 paid the quit rent.

The issues 2 to 4 are proved by the testimony of the same witnesses III contains an entry relating to the payment of water cess referred to in the 4th issue.

The 6th issue relates to the mirase paid to the Totis and Tulwars of the village. That the 1st defendant did pay grain to such individuals to the value of rupees 16—6—0 is proved by the testimony of himself and the said shanbogue and of one of the Toties or Tulwars (defence 6th witness) by exhibits V to VIII.

I find on the 7th issue also in the affirmative. The mortgage deed I stipulates for repayment of monies paid by the 1st defendant for quit rent, bandhs &c, increases and decreases (doubtless in the revenue demands or circar dues) and other charges that may be incurred, and gives 15 years' time for redemption. It also recites that 1st defendant may sink a well and grow any crop he thinks fit, and that the mortgagor will pay for the construction of the well. So the terms of the mortgage deed are wide enough to cover the charges referred

to in the issues 1 to 6. Quit rent, and charges connected with bunds or boundary marks (the subjects of the 1st and 2nd issues respectively) are expressly mentioned in the deed. The other charges to which issues 8 to 6 relate are covered by the general words " Increases and decreases and other charges." The making of the bund or katte round the land (to which 3rd issue relates) seems to have been necessary to prevent the water from washing away or overflowing the land. The 4th issue relates to the payment of water cess which is in the nature of a Revenue demand like quit rent and so is recoverable. But even if it were not so, seeing that the mortgagor undertakes to pay even for the sinking of a well, and leaves it to 1st defendant to grow any crop wet or dry, he or the plaintiff claiming under her cannot, in the circumstances object to pay the water cess. As regards the 5th issue relating to money spent for putting up or repairing the dam or ane it was merely a contribution which the 1st defendant had to pay, along with the other sharer in the survey number and other land owners, to the shanbogue who got the repairs done for the common benefit. So it is also in the nature of a revenue demand and is recoverable. As regards the miras paid to the Totis and Talwars that also is in the nature of a revenue demand, and is recoverable. Because the latter may sometimes watch the crops, it cannot be said that they must be regarded as the servants of 1st defendant employed for his benefit so that the mortgagor is not liable to pay further services. It cannot be denied that Totis and Talwars are part and parcel of the village establishment, and that there duties are partly connected with Revenue and partly with the Police. So the liability to contribute to their support is primarily that of the owner (or mortgagor) of the land and not that of the creditor (or mortgagee who has merely taken the land as security for his debt). I therefore find on the 7th issue as aforesaid that 1st defendant is entitled to recover the expenses referred to in the previous issues under the terms of the mortgage deed in his favor.

I find on the 8th issue that Gauramma the mother of defendants 2 and 3 borrowed rupees 50 from 1st defendant and executed the hypothecation bond II. The attesting witnesses and the 1st defendant speak to these points, though the writer says that no money was paid. There seems to be illfeeling now between the said writer (2nd witness) and the 1st defendant as is clear from the evidence of the former and he, the said writer, being a member of the executive committee of the Bank of which plaintiff is the agent, has obviously sided with plaintiff in this case. The 1st defendant was also a Director of the said Bank, but resigned all connection with it some time ago. It is not likely that if Gauramma executed the bond II as I believe she did, that no consideration passed. The 1st defendant seems to be a

man of some status in life, and it is difficult to believe that he would have got up II. The mortgage I and its binding character is admitted—it recites that it is made by Gauramma in order to discharge 2 prior mortgages by her, one in favor of 1st defendant himself and another in favor of Venkataswamappa and for rupees 50 in cash and also, states that Gauramma has been under the necessity of borrowing money "from the beginning to maintain her minor sons." It is therefore not unlikely that some 3 years after the mortgage I/3—9—80 she may have wanted some money and borrowed rupees 50 from 1st defendant under the hypothecation deed II/29—8—83. 1st defendant says that Gauramma when she made the said hypothecation wanted money to redeem some jewels which she had pledged with Chenveerappa and that either on the same day or the day after she paid rupees 40 and odd to him on that account but the jewels were not returned and he does not know how much was due to Chenverappa but that the latter refused to give up any interest. Chenveerappa ought to have been examined, but 1st defendant's advocate dispensed with the said witness because "he had not brought his accounts and his evidence will be hazy." This has thrown considerable suspecion on the case, but the transaction took place 17 years ago, and it may have been expected that the witness would not remember the transaction between Gauramma and himself without the help of the accounts. As already stated 1st defendant and the attesting witnesses to the hyphothecation bond swear that 1st defendant paid the 50 rupees to Gauramma. The said bond does not seem to have been drawn up recently. Plaintiff's brother Chendrappa sent two notices to 1st defendant offering to redeem the mortgage I, viz. C. and D. Plaintiff says that he sent these notices on behalf of plaintiff who was the real purchaser of the equity of redemption. The notice C/8—4—95 was sent before the time for redeeming the mortgage I had expired. 1st defendant sent the reply E/30—4—95 stating that the time 15 years for redeeming the mortgage I had not expired, and disclosing the hypothecation II and claiming money under it also. So that the hypothecation has not been an after thought on his part. Plaintiff and his brother did not repudiate the hypothecation at once but kept quiet till July 96 and then plaintiff's brother sent the notice D/8—7—96, stating that the time for redeeming the mortgage I has now come, and adding that the vendors say that the hypothecation is false, but that if 1st defendant states on oath that the hypothecation is true, then what is equitable will be done and asking for copies of both the bonds. This shows that plaintiff and his brother had themselves no suspicion that 1st defendant was a man of such a character as to get up a false bond and the parties belong to the same village and were well known to each other. Having regard to the circumstances of this case as a whole I believe the hypothecation II and the loan of the 50 rupees to Gauramma is true.

But regarding the hypothecation 2 points were urged in argument which do not form the subject of specific issues

viz. that plaintiff had no notice of the hypothecation and so his registered sale deed takes precedence of or priority over the unregistered hypothecation and that the hypothecation was for a purpose not binding on the defendants 2 and 3 the sons of Gauramma who were minors at the time. As regards the question of notice plaintiff must be fixed with constructive notice of the hypothecation, because he knew that 1st defendant was in possession of the mortgaged property under the mortgage I for several years and as it is not uncommon for a mortgagee in possession under a mortgage, which gives a long term for enjoyment of the property, to make further advances on the security of the very mortgaged property, plaintiff would have been told of the hypothecation, if he had inquired of 1st defendant as to the extent of his lien. Plaintiff abstained from such inquiry, though the parties belong to the same village. As regards the binding character of the hypothecation there is nothing to suggest that Gauramma under whose protection her sons the 2nd and 3rd defendants were during their minority had neglected their interests in any way. The binding character of the mortgage I not being disputed, the two previous mortgages mentioned in it, as part consideration for the said mortgage must also be taken to be admittedly binding so that it would seem that Gauramma was really under the necessity of borrowing money to maintain her sons and herself. Under similar necessity she must have borrowed money on the pledge of jewels as stated by 1st defendant and then again from 1st defendant under the hypothecation II to redeem the said jewels, so that the probability of the jewels being her stridhanam will not raise a necessary inference that she must have pledged them for her own personal benefit.

On the 9th issue I hold that what is due to 1st defendant under the hypothecation II is rupees 50 principal and rupees 50 interest, in all rupees 100. 1st defendant has calculated interest up to the date of his written statement which comes to 87½ rupees but under the rule of Damdupat, the parties being Hindus, 1st defendant cannot get interest in excess of principal.

On the 10th issue I hold that 1st defendant has right to be paid the amount due under the hypothecation II before the plaintiff can be allowed to redeem the prior mortgage I, as there is an express covenant to that effect in II.

On the 11th issue I find that plaintiff did not tender the amount legally due to 1st defendant. Plaintiff's case is that he merely tendered the rupees 450 due under the mortgage and not the money due under the hypothecation. So if the said tender be true as it fell short of the amount due to 1st defendant the latter was not bound to receive it. But even as a matter of fact I do not believe the money rupees 450 was actually tendered though it is supported by very plausible evidence. As evidence has been adduced on this

point fully I shall discuss the same. The replies E and F sent by 1st defendant to the notices sent by plaintiff's brother disclosed the hypothecation II and the determination of 1st defendant to claim that money also in addition to the money due under the morgage I. These replies are dated 30—4—98 and 19—7—96, respectively. Is it likely that knowing this the plaintiff would have tendered only the mortgage money (rupees 450) subsequently on 15—12—97 (as he tries to make out) to 1st defendant when he must have known that it would be a farce to go through the formality of actually taking the said money to 1st defendant who would expect to be paid the hypothecation debt also and who would therefore refuse that money. But plaintiff would make out that he took the mortgage money to 1st defendant as though he were innocent of the knowledge of hypothecation, and then that 1st defendant in refusing the money told him he must be paid the hypothecation debt also. Plaintiff's version it will be seen from his testimony and that of his 3rd witness the President of the Agricultural Bank is that plaintiff borrowed rupees 675 from the bank on the hypothecation of the land to which this suit relates and other lands on 15—12—97, that plaintiff informed the President that rupees 450 were due to 1st defendant on the mortgage I of the suit land, that though this land was also included in the hypothecation to the Bank, the President paid out the full sum of rupees 675 to the plaintiff on the latter stating that he will take rupees 450 and redeem the mortgage I, that plaintiff then went on the same day and tendered the rupees 450 to the 1st defendant accompanied by his 2nd witness (who happened to meet plaintiff on the road), that 1st defendant refused the tender, that plaintiff then came and deposited the rupees 450 with the Bank on the same day telling the President that 1st defendant refused it claiming also money under the hypothecation and other small sums for quit rent, &c, under the mortgage and asking the President to send for the 1st defendant and to renew the offer of the 450 rupees to him and to induce him to take it, that the President some days afterwards sent for 1st defendant who again refused to take the money. The entry in the Bank cash book G shows that on 15—12—97 the loan of rupees 675 was made by the Bank to the plaintiff and that on the same day rupees 450 was deposited by him with the Bank to redeem the mortgage I held by 1st defendant. I am of opinion that only the difference between rupees 675 and rupees 450 was really paid by the bank in cash to the plaintiff, and that the entry regarding the loan of rupees 675 and that regarding the deposit of rupees 450 were made simultaneously and that it is not true that the full sum was paid out to plaintiff and that there was an interval of a few hours between the loan and the deposit and that in the said interval the farce of the tender of rupees 450 to 1st defendant was gone through. The President of the Bank is interested in plainntiff as the Bank holds an hypothecation from plaintiff of this very land which it is sought to rid of

the circumstance of the hypothecation II. Plaintiff is the Agent of the Bank. The President admits that when disputes arose about the appointment of plaintiff as Agent, the President insisted on plaintiff being appointed and threatened to that he would otherwise resign. Plaintiff (the said Agent) admits that he is the cousin of the President. From the correspondence between plaintiff's brother (on behalf of plaintiff, as plaintiff says) and 1st defendant embodied in exhibits C/8-4-95, D/8-7-96, E/30-4-95 and F/19-7-96 it is clear that plaintiff knew of the hypothecation II in 95-6. After receiving the said replies E and F in which 1st defendant insists on being paid the hypothecation debt also, plaintiff keeps quiet till 15-12-97 when the alleged tender is said to have been made of merely the mortgage money. It is it likely that plaintiff the Agent of the Bank would not have told his cousin the President (who had insisted on having plaintiff, and plaintiff only as the Bank Agent) at the time when he the plaintiff actually hypothecated this very land (with other lands) to the Bank, that 1st defendant also claimed money under the hypothecation II.—If the president of the Bank honestly believed that only rupees 450 was due to 1st defendant under the mortgage he would naturally have sent for 1st defendant and cleared the mortgage himself as the Bank was interested in clearing the mortgage to secure its own loan. But he says he allowed the plaintiff, the debtor, to take the 450 rupees also because he said he will go to redeem the 1st defendant. Is this the way he treats other debtors of the Bank? and then he admits that some time after the deposit of rupees 450, he allowed the plaintiff to withdraw that deposit on 20-6-98 because plaintiff said he was going to deposit that money after suit in this Court for the purpose of this redemption suit. So the President takes no steps to see that money is really deposited in Court and that the Court reciept is handed over to him; as a matter of fact no such deposit has been made in Court. Why has the President been so accommodating to his cousin the Agent and thereby jeopardise the security of the Bank for its loan to plaintiff. It seems to me that both plaintiff and the President knew before the Bank's loan to the plaintiff of the claim of 1st defendant under the hypothecation and that the deposit of rupees 450 in the Bank was collusive and with a view of making it fit in with some story that may help to defeat the 1st defendant's hypothecation. There have disputes between the members of the Bank. The 1st defendant who was a Director has resigned connection with it. Plaintiff's 2nd witness is or was recently also one of the Directors of the Bank and obviously belongs to the faction of plaintiff and the President. Even if the hypothecation II were false and known to be false, still it is difficult to believe that the president who knew of the mortgage I and whose Bank was interested in having that mortgage redeemed would have been content with deposit of

rupees 450 only, when he must have known that under the terms of that very mortgage the 1st defendant could claim other small sums of money for quit-rent, &c. The wording of the plaint is involved, it does not mention this actual tender of the money to 1st defendant but merely says that 1st defendant was told that plaintiff was willing to redeem and that he should take the money and give up possession. Under a misapprehension as to the exact measuring of the words in the plaint, the 1st defendant thinking that an actual tender was alleged, denied it in his written statement and under a similar misapprehension a formal issue was framed, and plaintiff has taken advantage of this issue to adduce evidence as to tender and to attempt by oral evidence to make the entries in the Bank Cash Book G fit in with the story of the tender.

On the 12th issue I find that plaintiff is entitled to redeem the suit land on paying to the 1st defendant the sum of rupees 595—8—1 due jointly under the mortgage I and the hypothecation II together with the first defendant's costs of this suit.

Plaintiff will accordingly get a decree directing that on his paying to the first defendant or into court, the sum of rupees five hundred and ninety-five, annas eight and pie one (Rs. 595—8—1) only together with the 1st defendant's costs of this suit within six months from this date, the said defendant shall deliver possession of the suit land to the plaintiff free from the mortgage I and the hypothecation II and from all incumbrances created by the said defendant or any person claiming under him, and the plaintiff will also be entitled to the possession of the said documents. And that if such payment is not made as aforesaid the first defendant will be at liberty to bring the property to sale for the recovery of the money hereby declared to be due to him.

The plaintiff will also be made personally liable in the decree for the cost of suit awarded to the first defendant.

Pronounced in open court on this the 31st day of October 1900.

(Signed) T. S. A. D'Cruz,

Additional Munsiff,

Bangalore.

IN THE COURT OF THE ADDITIONAL

MUNSIFF OF BANGALORE.

O. S. No. 43 of 1897-98.

Plaintiff. vs. Defendants.

Chickanarasappa, Seshabhatta and 2 others.

Suit is for the redemption of the land described in the plaint schedule from the 1st defendant on plaintiff's paying him rupees 450.

DECREE.

On the passing of judgment in this suit in the presence of Mr. S. Kaishna Row, advocate for plaintiff, and Mr. S. Subba Row, advocate for 1st defendant, the other defendants being absent, it is ordered and decreed that, on the plaintiff paying to the 1st defendant or into court rupees 595-8-1 together with the 1st defendant's costs of the suit within six months from this date, the 1st defendant shall deliver possession of the scheduled land to the plaintiff free from the mortgage referred to in bond No. 1 and hypothecation referred to in bond No. 2 and from all encumbrances created by the said defendant or by any person claiming under him; that the 1st defendant shall deliver possession of the above mentioned documents to the plaintiff; that if such payment is not made as aforesaid the 1st defendant shall recover the aforesaid amount by bringing the aforesaid property to sale; and that the plaintiff shall be personally liable to the defendant's costs.

It is further ordered and decreed that the plaintiff do pay to the 1st defendant rupees 46-12-5, as per memo of costs annexed.

(Signed) T. S. A. D'Cruz,

Additional Munsiff.

Dated 31st October 1900.

Memo of costs.

Plaintiff's	... ...	Rs. 90—6—7
1st defendant's		46—12—5
2nd defendant's	... ...	30—4—5

Amount payable by the plaintiff to the 1st defendant is rupees 46—12—5.

Schedule.

MEMORANDUM OF APPEAL.

Before the Court of the Additional Munsiff of Bangalore.

O. S. No. 43 of 1897-98.

Before the Chief Court of Mysore.

R. A. No. 191 of 1900—01.

In the Court of Chief Court of Mysore.
1st Instance.

Chickka Narsappa	Plaintiff	Appellant
Sesha Bhatta	1st defendant	Respondent

Under Section 540, C. P. Code.

The appellant above named, begs to appeal against the decision of the Additional Munsiff of Bangalore in O. S. No. 43 of 1897—98 on the following grounds :—

1. The Lower Court erred in allowing the following items in favour of the 1st defendant.

(a) Sum of Rs. 100-0-9 on the exhibit 2 (8th and 9th issues);

(b) do „ 1-8-0 do (3rd issue).

(c) do 2-6-0 do (4th issue).

(d) do 1-12-0 do (5th issue).

and (e) do 16-6-0 do (6th issue).

2. The Lower Court further erred in not awarding costs to plaintiff and in making him liable for 1st defendant's costs.

3. The decision in the above respects is against law, weight of evidence and probabilities of the case.

The value of the appeal is rupees 122.

(Signed) S. Narayana Row,
Advocate for appellant.

9th February 1901,
Bangalore.

IN THE COURT OF THE ADDITIONAL

MUNSIFF OF BANGALORE.

O. S. No. 43 of 1897-98.

Plaintiff. vs. Defendants.

Chicka narasappa. 1. Seshabhatta.

2. Ramanna.

3. Narasappa.

19th March 1898.

ISSUES.

Plaintiff by Mr. Gangadharia. For 1st defendant Mr. Ramaswamy Iyar files a statement. 3rd defendant served in person; but absent and exparte. 2nd defendant's summons not returned.

Await return of summons—April 2nd.

(Initialled) B. S.

2—4.

Parties as before. 2nd defendant's summons not returned. Fresh summons for June 21st.

(Initialled) B. S.

21—6—98.

No judge to preside. Adjourned to 28th instant.

By order,

(Initialled) S. N. R.,

Head Munshi.

No judge to preside. Adjourned to 1st August.

Head Munshi.

Plaintiff, 1st and 3rd defendants as before. 2nd defendant not summoned. Fresh summons for 19—9—98.

1—8—98. (Initialled) T. S. A. D'C.

ISSUES.

Plaintiff by Mr. Venkata Row for Mr. Krishna Row. 2nd defendant by Mr. Sundra Iyar files a written statement.

1st defendant by Mr. Ramanna for Mr. Ramaswamy Iyengar.

3rd defendant exparte.

The following issues are framed, viz:—

(1) Whether the 1st defendant paid rupees 18-13-7 as quit rent for the mortgaged land ?

(2) Whether he spent 7 rupees 5 for repairing the boundary marks ?

(3) Whether he spent rupees 1-8-0 for making a bund or katte round the land ?

(4) Whether he spent rupees 2-0-6 as water cess ?

(5) Whether he spent rupees 1-12-0 for putting up a dam ?

(6) Whether he spent rupees 16-6-0 as mirasi to the Toti and Talwari ?

(7) Whether the 1st defendant is entitled to recover all or any portion of the expenses referred to in the previous issues, under the terms of the mortgage deed in his favor ?

(8) Whether the mother of defendants 2 and 3 borrowed rupees 50 from 1st defendant and executed a bond hypothecating the mortgaged land to 1st defendant ?

(9) If so how much is due to 1st defendant thereunder ?

(10) Whether the 1st defendant has a right to be paid the amount due under the hypothecation, before the plaintiff can be allowed to redeem the prior mortgage ?

(11) Whether plaintiff tendered the amount legally due to 1st defendant ?

(12) To what relief is plaintiff entitled and as against which of the defendants ?

Final hearing on 7—12—98.

(Initialled) T. S, A. D'C.

19—9—98.

A fortnight's time is granted for filing documents.

(Initialled) T. S. A. D'C.

19—9—98.

NOTE.—1st defendant files a cover containing documents with a list.

(Initialled) T. S. A. D'C.

19—9—98.

Plaintiff by Mr. Krishna Rao.

Defendants are absent.

Witnesses not cited—it is said owing to the plague.

Case is adjourned to 8—4—99. Witnesses to be cited.

(Initialled) T. S. A. D'C.

7—12—98.

8—4—99 turns out to be a holiday, vide holiday list 1st received. So this case is taken up this day and adurned to 3—5—99. Enter in cause list.

(Initialled) T. S. A. D'C.

2—1—99.

The above order was set aside by general notice posted on the door of the court house because the Chief Court altered the holidays.

Plaintiff by Mr. Seetharamiah for Mr. Krishna Rao.

1st defendant by Mr. Subroya. Other defendants absent.

Defendant's witnesses not served. Fresh summonses for 16—8—99. Same summonses to plaintiff's witnesses, as they did not issue.

(Initialled) T. S. A. D'C.

8—4—99.

Plaintiff's advocate is said to be in another court. 1st defendant by Mr. Krishnappa for Mr. Sbbraya. Other defendants absent.

Witnesses have not come. Those on plaintiff's side not served. The case adjourned to 23—10—99.

Fresh summonses to plaintiff's witnesses. Same summonses to defendants' witnesses.

(Initialled) T. S. A. D'C.

16—8—99.

Plaintiff in person. 1st defendant as before; other defendants absent.

Summonses to plaintiff's witnesses did not issue as batta was paid very late, but the parties want time to compromise.

Adjourned to 14—11—99 to enable them to report compromise.

(Initialled) T. S. A. D'C.

Plaintiff by Mr. Krishna Rao.

1st defendant by Mr. Subroya and in person defendants absent.

Plaintiff and 1st defendant say case has not been compromised ; so it is again posted for evidence to 8—1—1900.

(Initialled) T. S. A. D'C.

14—11—99.

Parties as before. Witnesses have not come except one on plaintiff's side. Case is adjourned to 21—3—1900. Same summonses to defendant's witnesses. Plaintiff to pay batta for his witnesses in attendance and take out fresh summonses to the others.

(Initialled) T. S. A. D'C.

Another witness (Seenappa) on plaintiff's side now turns up (3-30 p. m.) Plaintiff to pay batta for him also.

(Initialled) T. S. A. D'C.

8—1—1900.

Parties as before.

1st defendant's 1st witness—1st defendant Seshabatta, on solemn affirmation.—Gauramma the mother of defendants 2 and 3 mortgaged the suit land to me for rupees 450 under exhibit I/3-9-80. (Note.—I stipulates for repayment of monies paid for quit rent, bandhs, &c., increases and decreases and other charges that may be incurred, and gives 15 years' time and fixes the end of Jeishta for redemption. (Initialled) T. S. A. D'C.) She made this mortgage to me to clear two previous mortgages one in favor of myself and brother Subbabattah and another in favor of Vencatashamappa. Again Gauramma borrowed rupees 50 from me for the benefit of her sons who were minors then and executed the hypothecation II/29-8-83, agreeing to pay this debt when redeeming the mortgage. (Note.—In II interest is mentioned at 12 per cent. (Initialled) T. S. A. D'C.) The very land mortgaged to me under I has been hypothecated under II. I paid the quit rent viz., 18-13-7 and after filing my written statement I paid quit rent for two years viz., rupees 1-3-8 p or 9 pies. The quit rent is alternately rupees 1-3-8 and rupees 1-3-9. The paper III contains receipts for quit rent paid by me up to Jaya (1894-95) from Vishu (1882.) The paper IV contains receipts for quit rent from Manmatha

(1895-96) to Hevalambi (1897-98). Bands were erected after the mortgage to me. For erecting bandhs and fixing stones I had to pay rupees 5. I contributed rupees 1½ once and on another occasion ½ rupee for repairing a dam. The neighbouring land owners had also to contribute. The object of putting up the dam is to prevent the Kodi water from doing damage and to get water for our fields. Without the dam will not get water for cultivation. ½ an acre of the suit land is wet land. There is a lane to the west of the land. I put up a ridge at the cost of 1 or 1½ rupees to prevent the water from over flowing my land. I paid water cess for 2 years as shown in exhibit III viz. rupees 1-8-6 and annas 8. I had to pay every year as mirasi to the Toti and Talwari at the rate of 6 seers ragi per acre. So I used to pay about 25½ or 26 seers. I have paid this from Parthiva (1885-86) after survey settlement. So I have claimed this amount for 13 years. Plaintiff did not tender any money to me either directly or by money order. I have charged for the ragi at the rate of 8 rupees the kandiga. Jeymini Bhatta wrote II. There has been ill-feeling between us. Plaintiff did not send me a notice before suit. Malikarjuniah did not send me any notice. I have receipt for payments of mirasi in some years, viz., exhibit V/1896-97 for 25½ seers, exhibit VI/3—9—95 for 25½ seers, and exhibit VII/1895-96 for 24 seers and exhibit VIII/10—5—98 for 25½ seers. Plaintiff's brother Chendrappa sent me two notices to which I replied.

Cross-examination.—II was written in the nadavi of my house. Gawramma brought the writer Jeymoonibhatta. I was then alone in my house. I and Gawramma called Soorbhatta as he was passing my house. He is somewhat distantly related to me. There have been no money dealings between us. Gawramma brought Sreenivasabhatta who also attested in my house. There have been no money dealings between us, except that he has mortgaged a field to me for rupees 50. That debt is still due as the time for redemption is not come yet. He is the Pujari of Ramdev Temple. I was formerly a "Manthrapushpa" man, i.e., engaged by Sowcar to chant maintrams in the temple but I have no share in the emolument receipts of the temple. Gauramma and the writer came and sat in the Nadavi. I counted out the money. Gowramma also counted the money. I do not remember if it was placed in heaps. She said she wanted money to redeem some jewels which she had pledged. I do not know what the jewels were. But she said she had pledged them with K. Chenveerappa. She had asked me for money 8 or 10 days before Shanbogue Hanumantharoyappa was present. He has not come. I left the bank when plaintiff became the agent. This was about 2 years ago. I do not know if there is ill will between Hanumantharoyappa and plaintiff. I did not ask Chenveerappa if Gauramma had pledged jewels with him. Out of the 50 rupees I saw Gauramma pay 40 rupees and odd to Chenveerappa but do not

remember if it was on the day the bond was executed or the next day. Chenveerappa was not present when the bond was not written. Gauramma paid the money due to him in his house. Gauramma took me there to get interest reduced. I do not remember if this was in the morning or evening. Chenveerappa refused to reduce the interest when I asked him to do so. I do not remember how much was due to him for principal or for interest. I did not ascertain what the principal was. I do not know if Gauramma had executed a bond to Chenveerappa, but lekachar was made. I do not remember if pencil and paper were used in making the lekachar, no accounts were looked into, the jewels were not returned, but Gauramma paid some money to him. I do not remember how much, no receipt was given for the money.

Further examination reserved as it is said the shanbogue has not come.

(Initialled) T. S. A. D'C.

21—3—1900.

1st defendant's 2nd witness, Jaymoonibhatta, on solemn affirmation.—I wrote II, Gawramma affixed her mark. I wrote for her mark. No money was paid to her in my presence. 1st defendant said he would pay the money at time of registering that document. At the time of putting her mark she asked for the money and 1st defendant said it will be paid at time of registration. Gawramma said "it does not matter, he will pay me" and that she trusts him. Soorbhatta attested before me. Sreenivasabhatta was in the petta and 1st defendant and Gawramma went to him and got his attestation, and afterwards I wrote the bicalam. Gowramma died over 10 years ago I am an executive member of the Agricultural Bank at Vadigainhully. Plaintiff is the agent of the Bank. There has been no ill feeling between me and first defendant. I wrote a bond executed by Chendrabhatta and Subbamma in favor of 1st defendant and also another bond executed by Chendrabhatta in favor of 1st defendant. Of the latter bond I only wrote ¾ths, as there were disputes between 1st defendant and Chendrabhatta regarding the amount of Jodi to be entered in the bond. I did state in the taluk that I did not write the bicalam on that bond because Chendrabhatta did not sign it. I wrote the bicalam in the bond which Chendrabhatta and Soorappa jointly executed. I was not asked in the Taluk any questions about said bond. I received no notice from my uncle Nanjundbhatta. There were no disputes between us. His son is married to the daughter of first defendant. First defendant was a Director of the Bank. He is not a Director now. I do not know if he is still a member.

Cross-examination.—II was written in the house of first defendant (Seshabhattah) who took me there from my house. We picked up Gowramma at her house on the way back to 1st defendant's house. Soorbhatta was passing and was called in by first defendant. It was about 10 a. m., first defendant gave me the stamp paper. I know 2nd and 3rd defendants.

(Initialled) T. S. A. D'C.

21—3—1900.

1st defendant's 3rd witness, Soorbhatta, on solemn affirmation.—I have attested the bond II. Seshabattah paid the 50 rupees to Gowramma.

Cross-examination.—I attested in the Nadavi of Seshabattah's house. I was called in my him as I was passing by the street on by way from by house to the Pettah. Seshabattah, Gowramma and Jeymoonibattah were there when I went. Afterwards Sreenivasachar came when I was attesting. I do not know who brought Sreenivasachar. I did not see anybody go to call him. Nor did anybody call him. Gauramma counted the money and put it in her cloth. The money was on the floor when I went. The bicalam was written in my presence. Gauramma did not tell me why she wanted the money. Nobody told me that I am of Seshabattah's caste and distantly related to him. I never borrowed money from him. I have attested some other bonds for him.

(Initialled) T. S. A. D'C.

21—3—1900.

1st defendant's 4th witness, Sreenivasabatta Char, on solemn affirmation.—I have attested the bond II. Seshabatta paid the 50 rupees to Gauramma.

Cross-examination.—Seshabatta called me to attest. He came to the street and called me. Nobody came after me. When I went the money was placed on the floor. I do not know who counted the money. She wanted the money for her maintenance. I asked her at the time and she said she wanted money for her necessities, but she did not tell me what her needs were. Nobody questioned her in my presence on this point. By the time I went the bond was written by Jeymoonibattah and attested by Seshabattah, who was there when I went. I don't owe any money to Seshabattah. I have not mortgaged or hypothecated any

land to him. Jeymoonibattah was a "Manthrapushpa" man in the Ramadevur Temple.

(Initialled) T. S. A, D'C.

21—3—1900.

1st defendant's Advocate dispenses with the evidence of Chen Veerappa as he says "he has not brought his accounts and his evidence will be hazy."

(Signed) S. Subbaraya.

Fresh summonses to plainttiff's remaining witnesses for 29—5—1900.

(Initialled) T. S. A. D'C.

21—3—1900.

Parties as before.

1st defendant's 1st witness, 1st defendant Seshabattah, re-called and further cross-examined on solemn affirmation.—The suit land consists of 9 acres of dry land and $\frac{1}{2}$ an acre of wet land. I paid Nirsandhi for the $\frac{1}{2}$ acre of wet portion for 2 years up to the time of the Survey Settlement. The Survey Settlement was in Partiva. Since that year the Nirsandhi has not been collected. Nirsandhi is paid only if water is utilised (from the tank). The $\frac{1}{2}$ acre was always wet. I and Narsappah applied for the water agreeing to pay Nirsandhi. Narsappah was a sharer. I did not pay Nirsandhi for any other land of mine in that village. I got Ryot, Thamanna to erect the bandh. I do not know the cooly he employed. The shanbogue got the ane (dam) erected by a cooly whose name I do not know, I employed coolies to make the Katte (or ridge) by the side of my dry land to prevent the rushing of the water. I do not remember the names of the coolies. I kept accounts of this. I did not take a receipt from the shanbogue for the money I paid for the ane. I do not know why the mirasi was collected. I paid to the Talwars Konda, Bodiga and others. I have been paying mirasi from Parthiva. Plaintiff did not offer to pay the mortgage amount to me. Wodaganihully Ram-Krishnappa did not speak to me on this subject. Ramkrishnappa did not send for me and tell me that plaintiff had deposited the mortgage amount with the Agricultural Bank at Wadaganihully.

Re-examination:—The portion of land mortgaged to me is 4¼ acres of dry and the ½ acre of wet land. The ane was made to enable lands assessed at 2 or 3 hundred rupees to get water, so I contributed to its repairs. I was a Director of the Agricultural Bank of which Ramkrishnappa was President. After plaintiff became the Agent I resigned my membership. In the year Esvara, I gave up the duties of "Manthrapushpa" in the temple of which Srinivasabattachar was the Archika. 4 months ago I took from him.

(Initialled) T. S. A. D.C.

29—5—1900.

1st defendant's 5th witness, Hanumatharoyappa, on solemn affirmation.—I am the Shanbogue of Wodagainhully. Seshabattah pays the quit rent of the suit land. I granted the receipt IV. My brother Bhimanna granted the receipt III. The owners of land under the Ane had to contribute towards its repairs. I do not remember what Seshabatta paid on this account, but he did pay something to me. I got the repairs done by some ryots. Since the survey, i. e., for the last 13 or 14 years owners of land have to pay the miras for toties and talwars at the rate of 6 seers per acre. Seshabatta also paid miras. He paid to the toties and talwars in respect to his ½ share in the whole No. The other sharer is B. Krishtappa and his son. I see from the village plan that there are 7 bandhs in this No. (S. No. 333) and 16 stones. The charges for putting up bandhs and stones were "double" because they all had to be put up at the same time.

Cross-examination:—I did not get the bandhs erected. I was not present at the spot as each bandh was erected. I am the kusba shanbogue. Hanmanthrayappa and formerly Gundappa were the Kere Shanbogue. The water from the tank was dammed up about 10 or 16 years ago; I think. During the last 7 years I have kept the Ane in repair. I have been Shanbogue during that interval. It was to repair the dams that Seshabatta paid something. I made the repairs last year or the year before last. I repaired the Ane twice getting contributions from Seshabatta and others. The patti showing the expenses I left back in the village. Cannot say now much I spent on repairs. I did not grant a receipt to Seshabhatta for his contribution. I have lands under the Ane in the name of my brother. Those lands fell to his share. I was not present when Seshabatta gave miras to the Toties and Talwars. There is a patti showing what each Survey No. should pay as miras. The Talwar must have it. Vencategowda prepared it. The Toties and Talwars sometimes go round seeing if the crops are all right. I am a member of the Agricultural Bank and do not know

of plaintiff being the Agent but there has been correspondence about it. He and the President keep writing something in a book to show that he is the Agent. I opposed his appointment.

Re-examination.—The suit land belongs to Wodagainhully kusba. My brother was shanbogue before me.

(Initialled) T. S. A. D'C.

29—5—1900.

1st defendant's 6th witness, Konda, on solemn affirmation.—I am a Talwar of Wodagainhully. Seshabattah pays the monies of suit land. He has been doing so from the Survey Settlement. The Totis and Talwars divide the miras.

Cross-examination.— Seshabattah pays 25½ seers of ragi as miras. I have been Talwar for 25 years. The miras is divided among 4 persons equally. I get 2 or 2½ kandagas as my share of the miras of the whole village. The 25½ seers of ragi is for the whole village. No ; Seshabattah pays that for the suit land. He has no other lands in the kusba. I do not remember the miras of the whole village. Previous witness the shanbogue and his brother pay about 8 kolagas as miras. The totis and talwars watch the crops and do circar work.

(Initialled) T. S. A. D'C.

29—5—1900.

1st defendant's Advocate closes his case. Adjourned for evidence of plaintiff to 5—7—1900 as it is 5-40 p. m. now.

(Initialled) T. S. A. D'C.

29—5—1900.

Parties as before.

Plaintiff's witnesses have not come, one is said to be ill and the summons to the other has not come from Chikballapur. Adjourned to 23—8—1900. Fresh summonses to issue.

(Initialled) T. S. A. D'C.

5—7—1900.

Parties as before. Adjourned to 10—10—1900 as I was busy with other work.

(Initialled) T. S. A. D'C.

23—8—1900

Parties as before.

Plaintiff's 1st witness, plaintiff Chika Narsappa, on solemn affirmation.—Late Gauramma was the mother of defendants 2 and 3. After her death the said defendants sold the property to which the suit relates to me for rupees 600. I paid the money, but the sale deed was written in the name of my brother-in-law Malikarjaniah. A/24—1—95 is the sale deed. Malikarjaniah executed a release deed in my favor giving up his apparent rights under A. The release deed is E/25—1—98. My younger brother is Chendrappa. We are divided. He has no interest in this land. I asked my brother Chendrappa to send a lawyer's notice to Sheshabatta 1st defendant to take the money due under his mortgage and to give up possession of the land, but my brother sent the notice in his own name. My brother sent 2 notices viz., C/8—4—95 and D/8—7—96. 1st defendant's replies are E/30—4—95 and F/19—7—96. I personally asked the 1st defendant to give me details of the sums due to him but he did not give me the information. He furnished no details in his aforesaid replies to the notices. I tendered rupees 450 to the 4th defendant myself, but he said that besides the mortgage amount, he must be paid some money due under a hypothecation and for expenses incurred by him and he refused the money I offered. He gave me no details of the money claimed as "Lagodu" or for expenses. He did not tell me how much he claimed on that account The hypothecation to him viz., H. is not genuine. 2nd defendant is about 30 years old, and 3rd defendant is about 26 or 22 years. The rupees 450 which I offered to 1st defendant I brought back on his refusing to receive it and deposited in the Agricultural Bank asking the President to send for 1st defendant and ask him to take the money but the 1st defendant did not take the money from the President. I am the Agent of the Bank.

Cross-examination.—I have not deposited the money in court. I did not send the money to 1st defendant by money order or through the post. I have withdrawn the money from the Bank after suit. I offered the 450 rupees to 1st defendant about 2½ years ago. It was in cash. Oopahally Mooniappa accompanied me and he alone personally knows that I offered the money. I took the money to the 1st defendant's house. I did not count the money and put it before him. As he claimed other sums and would not give

details I showed the bag (made of white drill) containing the money to 1st defendant. I went to his house at 8 or 8-30 a. m. I met Mooniappa on the road and took him with me. He lives in Melur which is 3 miles from Wodagainhully. He is one of the Directors of the Bank. He owes money to the Bank but not to me. He does not owe mó ragi. I have known him for many years. 1st defendant Seshabatta and Mooniappa alone were present when I offered the money. I do not remember whether I mentioned the fact of the tender in the plaint. I knew Gawramma. I do not know who managed their family when 2nd and 3rd defendants were minors. I do not know when 2nd and 3rd defendants were born. I had borrowed the 450 rupees from the Bank. On the same day I tendered it to 1st defendant and on the same day I deposited the money in the Bank on his refusal to receive it. 1st defendant was a Director of the Bank but I was not the Agent then. I do not remember if 1st defendant resigned membership in the Bank on my being appointed Agent. I do not remember if the members disputed about my being appointed agent. After the majority of members approved of my appointment the President also approved it. I do not remember if the President stated that unless I was appointed Agent, he will resign his office. I hypothecated the suit land and other lands to the Bank when I borrowed the 450 rupees. When I asked the President to tell the 1st defendant to receive the money nobody else was present. The President and myself are on friendly terms. He is my cousin. There is a Farikhat relating to the division between myself and my brother but it is not registered.

Re-examination.—I borrowed rupees 675 from the Bank on the hypothecation of my lands, and out of this sum I tendered rupees 450 to the 1st defendant, and it was this rupees 450 I deposited in the Bank.

(Initialled) T. S. A. D'C.

10—10—1900.

Plaintiff's 2nd witness, Mooniappa, on solemn affirmation.—I went to Wodagainhully. I happened to meet the plaintiff who was taking some money. He asked me to come with him to 1st defendant's (Seshabattah's house.) I accompanied him, we met Seshabattah in his house. Plaintiff asked 1st defendant to take the mortgage money but the latter refused it saying that he must also get some money due under a hypothecation.

Cross-examination.—The plaintiff took rupees 450 with him. He told me so. The money was not counted nor

placed on the ground. Plaintiff had it in a white bag. The bag was not opened. I went to Wodagainhully to get silk worms, but I did not buy any that day and merely settled the price. No, on that day as I did not meet any persons who deal in silk worms I did not settle the price. The 1st defendant offered the money to plaintiff about 2 or 2½ years ago. 1st defendant said that he must also be paid the hypothecation money, quit rent, &c. But the plaintiff said that he has only brought rupees 450 the mortgage money, and 1st defendant should take that. Plaintiff did not say anything about the hypothecation, but he said will pay the quit rent. He did not say when he will pay the quit rent. The conversation was in the "Nadavi" of 1st defendant's house. I cannot say whether the nadavi was large or small. 1st defendant's house faces south. Afterwards I accompanied the plaintiff to the Bank. I am not a Director of the Bank. I was once a Director but resigned. I owe money to the Bank. I have been dealing with the Bank for the last 2 or 3 years.

(Initialled) T. S. A. D'C.

10—10—1900.

Plaintiff's 3rd witness, Ramakrishnappa, on solemn affirmation.—I am the President of the Agricultural Bank. The plaintiff deposited with the Bank rupees 450 on 15—12—1897 in order to discharge the mortgage amount due to 1st defendant. I sent for the 1st defendant and asked him to take the money but 1st defendant said he must also be paid some money under a hypothecation bond and unless that money was also paid, he will not take the money. Plaintiff on that day borrowed rupees 675 from the Bank under a bond hypothecating his properties.

Cross-examination.—The Bank gave the full sum of rupees 675 to the plaintiff who said that he himself will pay the mortgage money. Afterwards he returned and said there were some takrars and deposited the mortgage money with the Bank. G is the Bank Cash Book showing the loan of rupees 675 to plaintiff and the deposit of rupees 450 by plaintiff. Balances have not been struck daily. There are some blank spaces in the book.

Further cross-examination deferred till to-morrow as it is very late.

(Initialled) T. S. A. D'C.

10—10—1900.

Parties as before.

Plaintiff's 3rd witness, Rama Krishanappa, recalled and further cross-examined on solemn affirmation.—The plaintiff withdrew the deposit after 5 or 6 months viz, on 20—6—98 as per entry H in the cash book. The suit land and other lands were hypothecated by plaintiff to the Bank for the loan. When the bank lent the money I knew the suit land was mortgaged to 1st defendant. When the loan to plaintiff was made I did not send for 1st defendant to find out how much was due to him. The deposit was made with the Bank to redeem the mortgage to 1st defendant. The 450 rupees was returned by the Bank to plaintiff who said he wanted it to deposit it in court and the fact is entered in the cash book. I did not afterwards ask the plaintiff if he deposited that money in court. I did not demand him to produce a court receipt for that money. Plaintiff is the Agent of the Bank. 1st defendant had resigned membership of the Bank prior to the appointment of plaintiff as Agent. There were disputes amongst the members regarding the appointment of plaintiff as Agent. I recorded my determination that if plaintiff was not appointed Agent I will resign the Presidentship.

Re-examination.—I objected to the appointment of any person who bore ill-will towards me as Agent as it would be impossible to carry on business stating that if such an Agent be appointed, the members desirous of doing so, may appoint a President also from their own party. According to the Government rules the receipts are entered on separate pages on one side of the Cash Book and the disbursements on the opposite pages. The disbursement side of the cash book containing fewer entries, blank spaces are found in it. Even on the receipt side blank spaces will be found. Cross lines are drawn across the blanks so that no entries may be inserted therein. The cash book is a day book. At first I used to srtike balances daily, but after one year the Inspector said orally when he inspected on 17—9—1897 that it will be enough to strike balances monthly which has since been done.

(Initialled) T. S. A. D'C.

11—10—1900.

By consent of parties and at the request of this witness, the cash book G containing the entry H may be returned to the witness on his or plaintiff furnishing a certified copy of the entries in that book relating to the loan of rupees 675 to

plaintiff on 15—12—97, and to the deposit by him of rupees 450 on said date, and to the withdrawal of that deposit by him on 20—6—98.

(Initialled) T. S. A. D'C

11—10—1900.

Plaintiff closes his case.

For arguments adjourned at request of Advocates to 23—10—1900.

(Initialled) T. S. A. D'C. 10

11—10—1900

Parties as before. Arguments heard

Judgment on 31—10—1900.

(Initialled) T. S. A. D'C. 15

23—10—1900.

Parties as before. Judgment delivered.

(Initialled) T. S. A. D'C.

31—10—1900. 20

CHIEF COURT OF MYSORE.

APPEAL

No. 191 of 1900-1901.

BANGALORE.

Chicka Narasappa,

(Plaintiff) Appellant,

By Mr. S. Narayana Rao

Advocate.

versus

Sesha Bhatta,

(1st defendant) Respondent.

Presented 9—2—1901.

In the Court of the Additional Munsiff of Bangalore, O. S. No. 43 of 1897-98. } Plaint Presented 12-2-98.

Decree Passed 31-10-1900.

In Chief Court.—Appeal Filed 13-2-1901.

NATURE OF CLAIM. } Suit for redemption.

To be heard on ~~10th July 1901~~ 27th January 1902.

The Bangalore Printing and Publishing Co. (Ltd.)

Particulars of Property of the members of the Agricultural Bank at Vadigenhalli Devanhalli Taluk.

	Sircar lands								Inam Land								Total of Sircar & Inam lands		Value as estimated by Government authorities & others on such value has been made bank's raise		Value of houses shops &c		Remarks.
	Dry		Wet		garden		Total		Dry		Wet		garden		Total								
Property of original 16 members reported to government	139	12	31	8½	11	3	181	23½	101	35½	-	28	3	22	106	5½	287	29	16,565		3990		The list of property of the original 16 members shows only the total extent of Sircar and Inam land owned by each member and gives no details. These as furnished in the Property Register kept in the Bank do not when added up agree with the figures given in the said list, nor do the particulars entered in the Property Register agree in a few cases with those entered in a statement received in this office from the Bank showing the value of the property of the bank's members as estimated by its directors, while in a few other cases the particulars embodied in the schedules attached to the mortgage deeds executed by members differ from those in the latter statement. Hence the classification of lands, as dry, wet and garden is made approximately. The value entered for the total property of the original 16 members is proportioned in dealing with decreases therein. Houses &c were not originally valued by Government authorities the value given is what has been entered in the Banks Property Register. The houses also are mortgaged to the Bank by the members concerned.
Addition to the property of these members who are not on the bank's rolls, as made out from the entries in the property register and schedules attached to the mortgage deeds	9	24	"	"	"	"	9	24	36	4	"	"	"	"	36	4	45	28	1,705		"		
Total of I & II	148	36½	31	8½	11	3	191	7½	137	37½	-	28	3	22	142	9½	333	17	18,270		3990	III	
Decrease in the above consequent on the removal or resignation of the original 16 members	56	17	11	27½	-	14	68	25½	62	25½	-	-	3	2	65	27½	134	5	8,735		2300	IV	
Do consequent on elimination of lands of others in the lands of the remaining old members	15	9½	1	17	2	10	18	36½	22	33½	-	-	-	2	22	35½	41	30	1,027		-	V	
Do consequent on sale and relinquishment of certain lands by one of the above 7 members	4	4	-	27	-	-	4	31									4	31	650		-	VI	
Do consequent on the classification of the area of certain lands owned by a few of the said 7 members	1	1	-	-	-	-	1	1									✓	1	45		-	VII	
Do consequent on Inam lands being expunged as not fit for security									4	27					4	27	4	27	240		-	VIII	
Total of IV, V, VI, VII & VIII	76	31½	13	35½	2	24	93	9	90	3	-	-	3	2	93	5	186	14	10,657		2300	IX	
All property of the above original members who have had dealings with the bank under clauses I, II & VII	72	24½	17	15	8	17	97	28½	47	32½	-	28	-	20	49	12½	147	3	7,613		1790	X	
Property of 90 new members, as made out from the Property Register and the lists and returns forwarded by the bank to this office	569	34	138	26	100	30	869	17	539	37	23	34	5	-	538	36	1348	15	55,617		21530	XI	
Decrease in the above consequent on the removal or resignation of 15 of these	85	31	35	38	14	9	135	38	369	15			1	10	379	25	506	23	15,088		4200	XII	

	85	31	35	38	14	9	135	38	349	15	-	-	1	10	370	25	506	25	15,188	4,200	XII
Decrease in the above consequent on the elimination of those of others in the lands of the 46 of the remaining new members who have had dealings with the bank under class I or IV & also rejection of Service Mans Lands as not suited for security	46	7	3	17	53	36	47	20	8	16	-	-	1	50	10	6	57	26	4380	- -	XIII
Total of XII and XIII	125	38	39	15	18	5	183	18	377	31	-	-	3	-	380	31	564	9	10,668	4200	XIV
D.H between XII & XIV	443	36	99	11	82	24	626	1	132	6	23	59	2	-	158	5	784	6	38949	17,330	XV
Property of 31 of these 90 new members who have had no dealings of any kind with the bank and may at any time tender resignation with a hope of obtaining loans in future.	153	28	38	4	46	39	238	31	56	28	4	34	-	-	61	22	300	13	11713	7250	XVI
28 of the 28 members out of 44 referred to under (XIII) who have dealings with the bank only in respect of Mahajani Loans which they may repay at any time and by their severing the connection with the bank (excluding others' house.)	137	20	33	23	21	4	132	7	13	55	-	-	2	-	15	33	208	2	13,581	5,550	XVII
Total of XVI and XVII	291	8	71	27	68	3	430	38	70	23	4	34	2	-	77	17	508	15	25,294	12,700	XVIII
Net Property of 16 new members who have borrowed loans of class I & mortgaged their property to the bank (Difference of XV & XVIII	152	28	27	24	14	31	135	3	61	25	19	5	-	-	83	35	275	2	13,654	4,550	XIX
Total of X and XIX	224	32½	44	39	23	16	257	31½	109	19½	19	33	-	20	129	32½	422	34	21,268	6,360	

Manager Bureau Agency

Inspector of Agric. Banks.

Comp'd.

V.

Index to Complaints and Explanations.

[Note - ~~Ex 12 A~~

A is Petition to the Dewan dated 13-12-97 by Sri Kantaiya
B " to the Amildar " 18-12-97 by 1. Tim. Muniyappa 2 Dyav. Muniyappa 3 Sidde
C " to the Dewan " 10-1-98 by 1. Kalkalli Muniyappa & 2 Dyav. Muniyappa
D " " " 4-4-99 by Sinappa master.
E " " " 23-4-99 by 1. Kalkalli Muniyappa & 2. Dyav. Muniyappa
F " " " 2-6-99 by 1. Doddi Muniyappa 2 Chik Muniyappa & 3 Koneyappa
G " to Spl. Commr. " 22-11-00 by 1. Tim. Muniyappa, 2 Dyav. Muniyappa 3 Sinappa
4. Kere Hanumantrayappa 5. Karba Hanumantrayappa
6. Bhimanna
H. " to Dy. Commr. " 8-7-01 by Kere Hanumantrayappa
J " to Inspector " 14-12-01 by 1. Tim: Muniyappa, 2
K " to " " 14-12-01 by 1. Tim: Muniyappa 2 Karba Hanumantrayappa
3. Marian Muniyappa 4 Dyav: Muniyappa
5. Bhimanna Shg. 6 Sinappa master
7. Kere Hanumantrayappa.
L is final Statement made to Inspector by 1. Sinappa master 2. Kere Hanumantrayappa
3. Ramaya, 4 Rappa, 5. Koneyappa 6 Subbanna
7. Muni Kuren, 8 Muni Venkata 9 Mekal Timmia
10 Lakshmamma 11. Mar: Muniyappa 12. Dyavanna
Muniyappa 13 and Explanations of Respts.]

No.	Nature of complaints	References to Complaints	References to Respts Explns
1.	Admitting a member (Dyavannan Muniyappa) without his knowledge and consent	L p. 32.	L. p. 41
2.	Resident insisting on his relation Chik narappa being appointed as Agent in spite of opposition and tampering with Minute Book to secure the appointment	A, C, G, K and Ia p. 1.	L pp. 8, 9, 10, 22, 36
3.	Agent Chik narappa having no residence, but a Concubine, at Vadiyenkalli & occasionally doing Bank's business there	L p: 25.	L p. 10
4.	Spiteful removal of members opposing Agent's appointt	A, D, G, J, K: L p. 205	L pp 13–17, 38, 41–44
5.	Spitefully dragging such members to Court	D, F, G, J, K	L p. 43
6.	Admitting men of other Dists, relations or partisans as members.	A, B, C, D, G, L p. 6	L p. 18, 21, 37, 39, 40
7.	Appointing men of distant places as Director in lieu of local members, & changing directors frequently	K, L p. 206	L p. 17, 18, 53–55
8.	Granting loans to partisans on exaggerated estimates of value of property, & showing preference to men of distant places who were partisans & relations	A, B, C, G, J, K, L p. 2	L p. 18, 40, 46, 49, 52, 53
9.	Granting loans without enquiry at the shares of Partners	G	L pp. 11, 46
10.	Lands mortgaged by Resident not disclosing this	A, D, E.	L pp. 12, 13, 46
11	Resident selling some of his lands to the prejudice of the Bank	L p. 5.	L pp. 13, 45
12	Property mortgaged by Agent in mufft & under litigation	D, E	L pp. 11, 12, 44, 45

No	Nature of complaints	Refers to complaints	Refers to Residts explanation
13.	Granting Hand-loans without Directors' sanction and to men of distant places subservient to Resident	L p. 2	L pp 18, 19, 44, 47, 52
14	Making fictitious hand-loan transactions in others names, and Resident appropriating the sum	A, D, K, L pp 2, 3, 5, 29	L pp. 19, 20, 52, 53
15	A few of the men taking loan after loan in large sums.	K.	L pp 47, 48, 49
16	Misuse of loans obtained by Resident for agricultural purposes.	A, L p. 5	
17	Granting loans to discharging debts instead of for agricultural operations	G	
18.	Failure to pay to Treasury sums recovered from members & appropriation of same by Resident & his men as loans-	K.	L pp 49, 56
19.	Not paying loans promised & applied for	F, K, L pp 3, 4, 6, 7, 30.	L p 50, 51, 52
20.	Notices to meetings given only to partisans & conducting business with the aid of new men, leaving out old members	E, G, K.	L pp. 50, 51
21.	Keeping members ignorant of what transpires, Not giving publicity to proceedings of General Assembly	B, K	L pp. 22, 51
22.	Resident refusing to receive interest tendered by Kere Hanumantappa	L p. 3	L p. 19
23	do do do an app^n for renewal &c	L p. 24	L p. 19
24	do do do an instalment tendered by Sinappa master	L p. 25	L p. 15
25	do not granting the loan passed by Directors to Kere Hanumanthappa	L p. 26	L pp. 51, 52
26.	do wasting surplus by needless expenditure	K, L p. 5	L pp 20, 57, 58
27	do Deceitfully omitting to give effect to resolutions in favor of removed members passed at the General Assembly held in the presence of Mr Narasinga Rau	G, J, K, L p. 31	L pp. 35, 36
28.	Resident & Agent making themselves scarce when officers came to enquire into Complaints	G, L p. 30.	L pp. 22, 23, 33-35
29.	Agent receiving gratifn from certain members	L p. 26	
30	Resident dealing with Bank's funds as if it was his private money, without control	L p. 6	L p. 56
31.	Part members being held liable, though they have no voice and affairs are mismanaged	H.	

Note of Interview

Vadejambally Agricultural Bank

Seeniappa, School master, Vadejambally (Chief says)

I have been a member of this bank from its opening. The bank's affairs were being conducted satisfactorily until the appointment of Chik Nanappa as Agent. Before that Ramakrishnappa was both President & Agent. The members elected Subbanna the Agent. The members appointed Ramakrishnappa as Agent but Ramakrishnappa insisted on Chik Nanappa being appointed. We desired that the matter should be referred to the Inspector but the President suppressed this & had a note inserted in the Proceedings of the meeting in favor of Chik Nanappa and got him appointed. We members did not Consent to this appointment.

(Vide the Proceedings book which was handed to me. It contains the words ~~[illegible]~~ added after the Resolution was recorded apparently after signatures were obtained)

If minute book be thus tampered with what reliance can we place on the action of Bank authorities. I and others complained to Inspr. about the appointment of Agent. The President and Agent bear grudge on this account [illegible] active members without

Next cause :- The members so retired are :-
(1) Myself, (2) Shanbhog Srikantaya, (3)
Shanbhog Subbanna (4) three ryots of Melur
The Agent & Sundar have removed or (more)
directors living at Nadigunhalli, taken direction
from among members residing elsewhere
and with concurrence of latter have given
undue large loans to members of distant
places - The local directors removed were
(1) Shanbhog Hanumantaraya (2) Shp. Shivanna
(3) Jodidar Appajanna (4) Sheshabhatter
(5) Patel Venkatesayadu (6) Ramdas Venkat
ramanappa. The names of new directors
are not known. There are changes often
and almost at every meeting. The men of
distant places to whom large loans have
been given are (1) name not known, Son of
Thayappa of Chikballapur, Rs. 1000,
(2) Chikmarappa (Agent) of Mullur, Siddla
ghatta Taluk Rs. 600, (3) Persons of distant
places who have been given 50 Rs: as Imbadle
without the consent of directors, by President &
Agent of their own accord. - The names of receipt
of these loans should be ascertained from Regr

Hanumantarayappa says :-
One Munija, Narayanaswamy complained
to us that he had been defeated against his

name as Kaibadla though the amount had not been
paid to him. I questioned Respondent about this
at a meeting He said I had no business to speak
He then complained to the Bailiff & Int-
Narasimhiengar Assistant Comm. - I sent
with Puttanappa a member of the Bank 6 annas
on account of interest due by me on Kaibadla amt
Rs. 25/- He brought it back after lapse of due d.
saying the President would not receive it until
I signed the notice convening meeting - I took
a voucher to this effect from him. (It is seen &
returned) - I did not sign the notice at Vadigenhalli
as I wished to consult my brother at Gulikanalli.
I never attended any meeting after the dispute
arose about the appointment of Agent. I
have nothing more to add.

He adds

I have withheld the amount due by me
from want of confidence in the President & Agent
There exist items as paid to men like to mention
and use the sums thereunder. e.g. Narayanarao
Muniya's case. There are other cases of the kind
which can be brought to light by an inspection of
Bundle books. The directors' consent has to be
obtained for granting Imbadale loans also -
but this has not been done. The Tandal was
never authorized to grant Imbadale loans
in his own authority

Ramaya son of Krappa of Vadigenhalli says

I was admitted as a member at the commencement
I was also [illegible] We applied for loans but the

President said that moneys received had all been spent and that it would be paid when collection was made. No loan has yet been given. I am not in a position to raise loans elsewhere. My lands are very barren.

Seshappa of Vadiyenballi says that his complaint

the same.

Konerappa of Vadiyenballi says that he has made an application for a loan but that he does not and the loan & the application should be returned

Hanumantarayappa is questioned about the printed copy of proceedings sent by him. He says On the 12 March last a meeting was held in their house at Vadiyenballi. The notice of the meeting was given to the members who have signed these proceedings only & the members who have not signed the Resident Agent & other members in the other members belong to Ramakrishnappa's party. No notice was given to them. He sent an order at the complaint of himself & others that at a meeting of the said Assembly it be convened that at such meeting the complaints should be duly considered. The Agent to Resident did not convene any meeting according to. He sent no intimation of any meeting having been convened. Therefore we held an independent meeting. We did not send a copy of the proceedings of our meeting to Resident Agent & others - We objected orders from [illegible] on the subject.

Subbanna & Vadiyanhalli Rs

I have been retired from membership unjustly
& first executed a document for Rs 500/- to be repaid by
annual instalments of Rs 50. Before the first instal-
ment was due I paid towards that bond Rs 400/-
Nevertheless I was served with a notice for payment
of the 1st instalment under that bond. About
three months after the execution of that document
I executed another doct, for Rs 100/- to be repaid
by annual instalments of Rs 20/- each. Before
the date on which the first instalment under this
second document was due I sent by money
order the instalment & interest due, and with the
coupon as well as in a letter I expressly stated
that this payment was to be credited towards
the second document. Nevertheless I got a notice
stating that the amount had been credited towards
the first document and that for default of payment
of instalment due I had been retired. I wrote
in reply stating how unjust the order for retirement
was. I have since been paying sums as collected
and have to pay about a hundred which I will
pay up shortly. The Resident has taken Rs 1000/-
to repay old debts as well as for agricultural improve-
ments. No agricultural improvement has been
effected by him. He has drawn sums (as Kaibaki
in the names of illiterate persons getting them
names written by his dependent Upadhyaya Ramaiya
and appropriated them himself. He has himself
sold some of his lands recently. He has wasted
the Reserve Fund by employing a peon unnecessarily
and buying furniture, tents, old blankets

etc. as the Residents house being made to serve the purpose but paid for at exhibitant rates from Banks funds. Local members have been ignored as they are found to be inconvenient and outside nuisances taken advice from Karibasha to be the pattegars. He has taken the post advance & the his private ment and been dealing with it almost without any control.

Mr. Hussain of Avati says:-

I am a member of the Bank. I applied for Rs. 200/- for improvement of land from Mulberry. No money has yet been given to me.

Mani Venkata of Vadigenhalli says:-

I own property worth Rs. 2000 & pay Kandaya Rs 10/- I have asked for a loan of Rs. 500/- It has not been given affairs have been mismanaged and I am afraid of consequences.

Note:- This man speaks highly of Agent Chik Narayappa character & gives a very poor opinion of School master Venkappa who is said to have some time of arrangement with Kholan bank and duped many persons.

Nickal Siniwasa of Vadigenhalli says:-

I have been a member of the bank from the beginning. I had obtained a loan of Rs. 400 & have repaid Rs 200. School master Sinappa, Seetharamappa and Subbadasa are contentious people desiring to be head themselves. They have brought on dissensions. I am now a director. I have perfect confidence in the Agent Chik Narayappa and President. I however object to men of other talukas being admitted as members & should loans. Some workers men (Siddaghat taluk) were given loans & must had the field around them. The bank

should be continued. Many friendly persons
many local witnesses the allegation that
these loans have been granted to distant members
to make them Presidents. Parties desires no.
benefit. Except to the three Melur men referred to
which loans have not been granted. M 4/6/98

Lobbanpunte Lakshmana Pandit says —
I have been made a director since the last 6
months. I am a lawyer. I am advocate &
write a pay as Kandayam of Rs. 400. The Brahmins
have taken umbrage at me & they
appointed directors & presented petitions. The
President Ramakrishnappa and Agent Ramappa
were very good men & so I have perfect
confidence in them. Ramakrishnappa is
very strict. The complainants Sinappa
and others do not like a thumb print. They
have complained. I am of opinion the bank
will thrive & become useful if Ramakrishnappa
continues as President. If he resigns there
is no equally respectable person to take his place
& the bank may collapse. Myself & others are
ready to render what service lies in our power
but without him the bank will not stand.
I have need for Rs. 1500, but have not
been granted anything more than a loan
of Rs. 50/. M 4/6/98

President Ramakrishnappa says —
The bank was opened in October 1896. I have
been President since then till June 1897. I was
both President & Agent as appointed by General Assembly

should be continued during pleasure
many loans not get loans. The allegation that
land loans have been granted to distant members
to make them Presidents. Parties desires no
benefit. Excepting the three Bellari men against
which loans have not been granted. M 21/6/98

Gobburgunte Lakshmana Chetti says —

I have been made a director since the last 6
months. I am a Vakkiga. I am able to read &
write a pay a Kandayam of Rs. 400. The Brahmins
have taken umbrage at me & take me being
appointed director & presented petitions. The
President Ramakrishnappa and Agent Ramappa
are very good men & so on. I have perfect
confidence in them. Ramakrishnappa is
very strict. The complainants Sinappa
and others do not like a thump probably
have complained. I am of opinion the bank
will thrive & become useful if Ramakrishnappa
continues as President. If he resigns there
is no equally respectable person to take his place.
I thank may collapse. Myself & others are
badly in debt under what service bonds. The bank will not stand
but without him the bank will not stand.
I have need for Rs. 1500, but have not
been granted anything more than a loan
of Rs. 50/. M 21/6/98

President Ramakrishnappa says —

The bank was opened in October 1896. I have
been President since then till June 1897. I was
both President & Agent as appointed by Govt

In June 1897 a separate Agent was appointed as required by the Inspector of Agricultural Banks who pointed out that it was against Rules for one man to be both President and Agent. Seven or 8 members wanted Subbanna Reg. of Venkatenthalli to be made Agent, but I had reason to be dissatisfied with his conduct & so said I would not work as President if he was made Agent. He was at my request writing documents for members. Sakk Chikkegauda had applied for a loan of Rs. 150 repayable in three instalments of Rs. 50 each, but Subbanna in writing the document, colluding with Chikkegauda from whom I came to learn he obtained Rs. 3/, entered a term of five years and instalments of Rs. 30 each, without my knowledge or consent. These members then wanted a reference to be made to the Inspector, and a resolution was recorded to this effect. Eventually at the same meeting and before any signatures were obtained in the Book some eight or 10 persons stated that for the time being as Sd. Chik Narsappa should be made to act as Agent as the Inspectors order stated that it was against Rules that one man should be both President & Agent. This note was accordingly added to the Resolution and then myself and others signed the Resolution. Chik Narsappa in writing the note wrote it in smaller characters so as to make the note one in continuation of the last line of Resolution, and end with that line. He might have written it freely and used the next lower line also as no signatures had been made. There was an interval of nearly one hour between the Recording of Resolution and the writing of note, during which interval there was good deal of discussion & talk about the merits of the several proposals. I can positively

Supplementary Index No 2.

Note. Yakovlev Hanemann taught the genuine signature of his brother

say that the note was written when all the members were present and before any had signed the Resolution and that all including schoolmaster Sivaraffe and other complainants signed the Resolution with full knowledge of the temporary arrangement made and the wording of the note. The above was on 9 June 1897. There was afterwards a meeting on the 5 July and by adjournment on the 14th July 1897 that was a general meeting at which various matters as per notice were considered but we forgot to bring for consideration then the question of confirming the Resolution of the 9th June. On the 28 July a meeting was held for confirming the proceedings of the 14 July and at this the question of confirming the proceedings of 9 June was brought forward. We were not aware of the rule that the confirmation should be within one month from the date of original Resolution. The Resolution of 28 July at which the Resolution of the 9 June was confirmed is in my handwriting and it has been signed by among others Shanbhog Bhimanna elder brother of Kasturbhai Hanumantrayappa one of the complainants. I can positively state that Bhimanna was present at this meeting and signed the proceedings and did have many several of his signatures on Bank's Record for comparison. When Mr Shenyak Shetty visited Vadiyenhalli in September 1897 a complaint was preferred to him in the matter and he orally enquired into the matter when Bhimanna admitted he was present at the meeting of the 28th July & signed the Resolution. Which was then duly confirmed as against the Assembly was satisfied that he possessed property worth

Rupees four thousand odd. Chik Narsappa is not related to me but is a ten days' guest of mine. I am perfectly satisfied that his character is good. One complaint against him is that he keeps a concubine but this is a matter which would not affect much in weighing his general character. His place of residence is Kachahalli of which he is Shanbhog. He is of Siddaghat Taluk but is only 2½ miles from Vadiyenhalli and he for the most part lives at Vadiyenhalli itself. He was a schoolmaster at Vadiyenhalli for 6 or 12 years and resigned the post four or five years ago as the pay was small (5 Rs.) and he had private business to look after. The question of the Agent's appointment was again brought before the General Assembly on the 23rd January 1898 on the complaint of School master Seenappa Appaiyanna and 9 or 10 others. At that meeting 8 members voted that I should be both President & Agent as before and that in case of a separate Agent being required somebody other than Chik Narsappa should be appointed, two members namely Ramdasi Venkatramanappa and Thimmappa stated they were indifferent as to who was made Agent, and other members decided that they had no objection to Chik Narsappa continuing as Agent. Thereupon the aforesaid 8 members left the place without signing the proceedings. The question of confirming the above proceedings came on before the General Assembly on the 5th February 1898. At this meeting four members namely Appaiyanna, Kadur Shg. Hanumanthappa, Master Sinappa and Shg. Subbanna stated that the above proceedings should not be confirmed but 16 other members of whom five are of Vadiyenhalli resolved that the said proceedings be confirmed. That

Complaint not 2/12

Complaint Inquired

(1) Appaiyanna
(2) Sy. Thimmanna
(3) Master Sinappa
(4) Ranjit Surabha
(5) Venkatramanappa
(6) Hanumanthappa Complainant
(7) Subbanna
(8) Srikantaiya

As regards the complaint that the lands hypothecated
to the Bank by Chikkanarappa are subject to litigation
and are not of sufficient value) Chikkanarappa
has hypothecated 15 items of property of which
7 or 15 situated at Kachahalli and Mallur
are free from any kind of dispute. Chikkanarappa's
father had two wives and sons by them as follows:
Sheshappa, Ranganna, Chikkanarappa & Chandrappa
All are divided in interest. Ranganna is dead -
His widow Lakamma has executed a registered
sale deed in favour of Chikkanarappa & Chandrappa
in respect of Survey No. 215 214 of Kachahalli and
portion of No. 75 of Mallur which had fallen to
Ranganna's share. The other items of Kachahalli
and Mallur mentioned in the schedule to
the hypothecation deed are what came to the share of Chik-
karappa and are exclusively his. Chikkanarappa's
wife is insane and he has no children. He is very
attached to his uterine brother Chandrappa and
the latter children and intends to adopt one of them.
Chandrappa who is now living at Chikballapur
has written two letters to me as President of the
Bank stating that he binds himself to be responsible
for all transactions in respect of lands hypothecated to the Bank
which Chikkanarappa may do or carry on as he
has been managing all the said lands from the beginning
There is litigation in regard to item No 7 and item No 15
at Kachahalli. Chikkanarappa holds duly registered
sale deed & other documents to perfect his title to the land
The litigation is between him & the mortgagee of the land
named Shesha bhat the latter claiming certain
sums of money the title to which Chikkanarappa
disputes. The suit is pending in the Bangalore Munsiff's
Court & is for final disposal in August next. There
was litigation in respect of items 2 & 6 of Bhatenhalli

12

Village Chikk Narsappa claimed the right of a vendee therein but as this claim was disputed there were legal proceedings. Finally a compromise was effected by which Chikk Narsappa relinquished his rights as vendee for a consideration of Rs. 850/ and on payment of Rs. 500 obtained the mortgage of the land with possession for eight years. The compromise has been duly registered & the legal proceedings have terminated. The balance of Rupees 350/ is lodged in the Munsiff's Court at Bangalore by the Defts and under the Razinama the amount is payable to Chikk Narsappa who he will draw and pay to the Bank. So the loan obtained by him will thus be reduced by Rs. 350. and the remaining hypothecated properties are valuable Chikk Narsappa has since bought a house and lands at Kadarenhalli, Varadinne Pura & Chikk Vallapura. The documents relating to these also have been lodged in the Bank and these additional properties will be included in the Deposit Register of the Bank. (Read as regards the complaint that the properties hypothecated by Penchait are not exclusively his). I had three brothers of whom the two elder brothers died recently upwards of 20 years ago. My father effected a division and each brother was enjoying his property separately. No Panchait was however executed. The properties hypothecated by me are exclusively mine excepting the house at Vadigenhalli in which Shankar Narayan the surviving elder brother has a half share. The two deceased brothers got for their share certain lands in the Sidlaghat Taluk as well as a small house at Vadigenhalli. Shankar Narayan for his share has certain lands in the Sidlaghat Taluk and a half share of the house at Vadigenhalli. I got for my share the lands at Galavalli, Vadigenhalli, Harpet, Mittanhalli & the lands at Chikkenidahalli and a half of the Vadigenhalli house

Cancelled 166/2

Complaint para 2 & 10

Besides the above I have since acquired by
Sale Vadiyenhalli lands at Vadiyenhalli
Yaluvalli & Chandenhalli — Of the above I have
hypothecated to the Bank the lands at Vadiyenhalli
Yaluvalli Chikkanhalli Chandenhalli all of
the Devanhalli Taluk and the whole of the Vadiyenhalli
house. I have not hypothecated the lands of
Hospet Muttanhalli & Lakshmikantanhalli as I
intended to dispose of them the being not a profitable
concern. I recently sold one of the lands at Muttanhalli
for Rs. 500 as I had to meet unexpected expenses in
consequence of the death of my brother. One of whom died
at Kolar without any male issue. I have not sold
any other property. The Kolar brother referred to, name
Krishnappa was himself a member of this bank.
He has given the bank a list of his property in which
not a single item of properties hypothecated by me
to the Bank is included. He has included only
what came to his share & what he since acquired
from ancestral jewels & otherwise. The other
deceased brother Narasimhappa was a pensioner
Amanimuttaddi & he lived & died at Bangalore.
He sold the ancestral lands he got for his share in
the Sidlaghatta Taluk & retained only his half share
of the Sidlaghatta house. He has left behind a son
named Venkat Rao who is now at Siva
Bagenhalli where he is Talukdar Sheristadar. Shankar Rao is now at Siva
first wife, On the death of his
Rs. 500 and got them remarried and he paid
then that I must keep the whole house myself. I shall
I did not obtain any document from him
obtain necessary vouchers from Shankar Rao
and Venkat Rao. (Next as regards the complaint
about members having been unjustly retired)
Seenappa obtained a loan of Rs. 800 from the Bank on

No. 1 to 4

1896. He had to discharge the previous loan due to
the Channirappa & produce the kyfeth deed
under false excuses he delayed producing the deed
& I had to issue a notice to him. He as a matter of
fact failed to pay Channirappa what was due
& then out of the loan drew from the Bank Upon
receiving the notice he instigated other members
not to deliver their old documents to the Bank
& received Street Writs from Sri Channa Shetty
about securing old documents whereupon I issued
notices to defaulters and caused also a notice to be
issued by direction. Sinappa did not even then
produce the document required of him. He sent a
petition to Bank making false allegations as to
payment of loan applied for and promised. Sri-
Channa Shetty at his inspection in Sept 1897 spoke
personally to Sinappa about the non production
of the document and thereupon Sinappa took steps
to pay Channirappa the amt due & thereupon eventually
produced the document on 30 October 1897 after Bank
issued another Street notice. He gave a petition to the
Bank praying that his default thereof be condoned
and that steps will not be taken to recover the amt due
by him as a bad Debt. The Board of directors (Bhimana
Appaiyanna, Kesava Shanbhag, Hanumanthayappa
Annamikere Sh. Hanumanthayappa & Shankaraiah)
ordered that Art. 58 of the Articles of Assocn should be given
effect to. On 30 Nov 1897 the first instalment under
the deed as well as interest became due. He failed
to pay both. Notices were issued to him but he only
sent petitions urging pressure about the appointment
of Chikkanarappa as Agent. I was anxious to see
the instalments received in a smooth manner
as the loan granted was somewhat in excess of value
of the property but all endeavours were in vain
and finally a suit had to be lodged & this was done
in July 1898. Ex parte decree was passed in

Confidential
1904

Ref No 2 in the Judgment in the case appealed

from 1898 Govt. on his appn the suit was restored to file and he has urged the false plea that he tendered the amount & I declined to receive it. The suit is posted for trial to 24 August next. Sinappa was removed from membership on 7 Oct 1897 in connection with his default & province the history deed of Thammappa. Sinappa was present at this meeting but did not oppose the proceedings. He preferred an appeal to the General Assembly on the 23 Jan. 1898, but the Assembly decided that the full amount shd be received from him & he removed from membership. He was present at the meeting. His petition was read aloud and the fact of non payment of instalment & interest & directors indemnified were all placed before the Assembly. They decided that the bank would not sit as if there were members of this kind and that he should not be re-admitted. The property of Sinappa had been valued at Rs. 550 only. He gave a list of debts amounting to Rs. 800 and prayed for a loan of Rs. 800. I objected to give so much but he appealed to the mercy of the directors of whom Hanamantagappa, here Hanumantaragappa & Bhimanna were related to him. He urged that he could pay monthly Rs. 10 from his pay and that when three or four instalments were paid up he would be safe. The directors relented and the loan asked for was granted. Now including interest and Court costs upwards of Rs. 1000/- are due from him & though the property was valued at Rs. 550 only. Yet it may at a public sale realise nearly the amount due. To my knowledge Sinappa was not a desirable person but at the recommendation of his relations he was admitted. I thought that his pecuniary difficulties had

led him to behave in unpermanent & troublesome manner and that if his debts were paid off from the loan & he obtained from the bank and he got his service & lived by comfortably he would behave properly. In this I was sadly disappointed. —— Shambhoy Srikantaya was warned (1) for failure to produce old document & (2) for failing to pay interest due for loan under Class I and the principal of Mubadala & interest thereon he also failed to pay Kandayan on hypothecated lands till after attachment & subsequent to his removal he paid off the whole of his debt and took back his documents from the bank. As regards Shambhoy Subbanna I intended to have him as Agent but for reasons already stated I lost confidence in him. After he joined the Bank he effected partition with his brothers and he got for his share but two fields one of which is Serva Inam. The other field may be worth only Rs. 100 or 150. His partition was after he obtained loan from the Bank & without the knowledge of Bank authorities. He failed to pay the instalment & interest due under the bond for Rs. 100/ executed by him although we waited for two months. Therefore he was served with notice & removed from Bank. In the money order sent by him & his brother nothing whatever had been written in the coupons as to how the sums should be appropriated & as the coupons were blank I did not take them. He neither wrote any letter at the time intimating how he wished the sums to be appropriated. When notice was issued to him intimating his removal & the cause therefor & demanding balance, he sent a reply saying he himself was anxious to leave the bank & would pay up balance shortly. In the beginning when he was being employed to write documents &c he asked me to permit his keeping Rs. 3 or 4 from each person for the services he renders but I set my face against it & said I would tell all not to pay him any thing. He resented this and observing as if he would open & oil & operations said he would keep up the loan &c

Complaint under 504

Compl. Inden
No 6

Lingam & lever his connection with the bank
about 4 or 5 months after this he paid Rs. 400/- to
Bank and this was at his request credited towards
the principal of the first loan of Rs. 500/-
The sums received subsequently by money order were
credited towards the same loan as there was no request
from him that any portion of it should be credited
towards the second or subsequent documents. He
owes about Rs. 403/- for principal & interest. His removal
by the board of directors was accepted by the General
Assembly on 1 February 1899. The three Malur ryots
removed were (1) Honnappa (2) Hod Muniyappa
and (3) Chikka Muniyappa. These three received
Kaicadla loans for Rs. 50 each and got the same renewed
before expiry of the time allowed 3 months. Another
three months elapsed & yet they did not pay. The bank
waited for five months and sent notices & peons
but all to no effect. Suits had therefore to be filed.
They were removed by Board of Directors on 4 Nov. 1898.
Besides the above Khasim Sab and Mallu Ramappa
(Deega of Shanbhog Subbanna) were also removed
for failure to pay Kaicadla instalment & interest due
their removal was on 25 March 1899. Ample time was
allowed in each case for payment. Sinappa (School
master) and Subbanna have instigated these others
not to pay. They have gone almost from door to door
& told members to avail themselves of the Excess
of the occurrence / Plague & refuse from paying.
Suits have not yet been filed against them. Ramappa
was granted loan on the recommendation of the manager
& other directors though he does not live in a registered village.
Endeavours will be made to recover the amount from him
of the local directors about whose removal complaints
were made. Shanbhog Hanumantrayappa & the manager

Compl. Inden
No 7

were the office for one year. They were not re-elected because they attempted to exact moneys from ~~the~~ applicants for membership. Judicial Assistant also served for one year. He too collided with the Shanbhogs and evinced a desire to levy unlawful contributions. Keshavaiah resigned his membership. Patel Venkatappa said he had heavy Patel work and was moreover tired of the trouble which the Shanbhogs were giving him and desired another being appointed in his place. Ramdas Venkatramanappa did not choose to be re-elected. Directors are changed every six months according to Rules. The present directors are (1) Mekal Vinayaya (2) Siddenhalli Chikkaveerappa both of Vadigenhalli (3) Lakkamanna of Avati (4) Kupahalli Munigappa of Malur (5) Patel Chikkagauda of Galivalli. Of these villages Avati & Malur have not yet been registered. Applicants from these villages were admitted as Members about the middle of the year 1897. Lists of these new villages were sent to the Amildar and Inspector. I was not aware that they had to be registered in the Chief Court. These directors have made themselves useful in inspecting lands &c which service could never have been expected from the complaining Shanbhogs. Ramaiya son of Changappa of Chikballapur has been granted a loan of Rs. 1000 on tangible security which has been inspected by myself and reported upon by the Amildar. The loan was given on the authority understood by me in the order of Govt. dated 29 October 1897 No 3865 - RF-114-95 and of the order of Inspector No 1754 dated 20 March 1898 which runs as follows - [illegible] I was under the impression that these orders could be acted upon without observing the procedure for registering new villages. The Mubadale loans at this date amount to Rs. 1000 odd and not more loans ... a loan is granted on the authority of the President

Correspondence No 1

Do No 6

Do No 8

because the directors stated that if applns pertaining to
Qn No 13 circulated to them there would be delay which would
not be in the interests of Mutadars applications
There is no written proceeding to this effect but under
verbal arrangement it has been the practice of this
Bank. Even the complaining parties have received
Mutadala under this arrangement. At the next
meeting this practice will be dispensed with. It is
not true that I have granted Mutadala to distant
residents. Narasayya Munsif had himself received
Qn No 14 Mutadala & he repaid it. It is not true that I was
a fictitious transaction nor do I believe that
ever complained in the matter. Hanumantharayappa
never questioned me in the matter. It is not true
that I declined to receive 64 rupees from Hanumantharayappa
Qn No 21 & No 22 On the 23rd Feb 1899 he personally paid this amt to me
near the Vadiyenhalli Police Station and gave an appln
for renewal. I received the amount & gave effect to
the application. The receipt which Puttaiya says
is said to have given stating that I declined to receive
the amt when tendered is inexplicable but
Venkatappa never brought the amount to me. He
is an illiterate man only knowing to write his name
Qn No 19 It seems to be an attempt with the aid of some
ill-disposed merchants of Vadiyenhalli whose
evil designs disposition is notorious, to create evidence
to support the plea of tender put in by Venkatappa
in the Munsif's Court. Ramaya & Venkatappa were
not granted loans because their debts amounted to
more than the estimated value of their lands
and what could be granted would not suffice to
free the lands from encumbrances. The directors
did not grant the applications. I did not know
about the Resolutions recorded by Hanumantharayappa

and others until the printed copy of it was shown to me yesterday by the Inspector. I have not taken a copy of it and shall place it before a meeting of the General Assembly at an early date. No application was made to me or the Agent or the directors for a meeting being convened. A meeting was actually held on the 23 January 1898 with reference to the complaints of Ramanantrayappa & others, as required by the Inspector, but before the proceedings could be printed and sent to the Inspector the men who were dissatisfied with the proceedings again complained to the Inspector and he thereupon wanted a date to be fixed for a general meeting & intimated to him. This order was received a day or two after the despatch of proceedings of 23 January 1898 and when I called his attention to these proceedings he said that was all right & no further action was necessary. It is not true that Rs. 2/ was spent for an almira was made for Rs. 15, a board for Rs. 2, a bell for Rs. 2 & seats for Rs. 10/4, and a hanging lamp was bought for Rs. 2/. All the rest such as carpets boxes, inkstand &c have been supplied by me for use at meetings &c. The complaint is simply frivolous and vexatious. Upadya Ramaya is a member of the Vadagalai sect and a very good & reliable man. He is a teacher in the Vadagalai school & a very good man. Because he is such he was made the object when present to write for illiterate men. The allegation of fictitious transactions referred to by complainants is totally unfounded. The entries in loans are real transactions in every case. No Mutaddi or Gumasta has been employed in this bank. The writing work is done by the Agent & myself. A peon is employed for one is required to make demands and serve notices &c. When the bank

supplied for Rs. 24

Dec 1014

was originally constituted there were 16 members
of whom 15 were of Vadiyanhalli & 1 of Mallur. Of the
resigned ~~and~~ 2 were removed and 1 (of Mallur) died
The son of the latter named Narrappa, has been made
member on the application of his mother he being a minor
On the 29th October 1896 a batch of 18 members joined the
bank of whom 16 belong to Vadiyanhalli ~~and~~ 16 Mallur
and 16 Mittankalli. Of these one of Vadiyanhalli
named Srikantia and one of Mittankalli were removed.
On the 2 January 1897 a batch of 34 new members joined the
bank. Of these 20 belong to Vadiyanhalli, 1 belongs to Avati-
16 Chandenhalli, 1 to Mittankalli, 3 to Yaluvalli 16
Sugutur, 2 of Bangalore (having lands near Vadiyanhalli
i.e Venkatpatiayya at Sahranhalli and Subbarao
at Mittankalli) 1 of Kolar (having lands at Dodda
Siddaghatta, Tekahalli & Srinivasa Rao) 1 of Koudavare
1 of Yamanayya Siddaghat Taluk and 3 of Akki manyale
of the same Taluk. Of this batch 1 died viz. Krishnappa
and 1 resigned named Sri Venkatpatiayya. On the
14 July 1897 22 persons were admitted. Of these
14 belong to Mallur, 16 Bangalore, 1 Mallur, 16
Billahalli near Avati, ~~and~~ 2 of Avati, 2 of Vadiyanhalli
and 1 of Doddajanhalli. Of these 3 members of
Mallur have been removed. On the 23 Jan 1898
6 men were admitted all of Vadiyanhalli. On the
July 1898 8 were admitted of whom 2 are of Mallur
2 of Avati, 1 of Billahalli, 1 of Harohalli, 1 of Ko
Chandra 1 of Bagtarhalli. I shall give a statem
of members in the form now shown to me. I a
confident ~~and~~ that there is no risk whatev
to the Co-operative. The banks affairs have bee
managed to the best of my ability. Owing to inexp
and want of sufficient literary attainments on

Complaints
not

heir of myself & Agent - there may be slight errors
clerical in the recording of minutes &c but so far as
cash transactions are concerned they have all been
duly made & recorded. No draft of minutes is
made. The proceedings are subscribed as the business
goes on almost talk & bustle. The Skara dispute
about Agents appointment was made under
such circumstances - Master Sinappa, Srikantia
and Subbanna have been causing bustle, Commotion
in the meetings of the Assembly. They are very boisterous
and unparliamentary in their language. On two or
three occasions I represented this to the Amildar
and asked him to kindly attend one of the meetings
and stop the disturbance but he was unable to comply
with my request. I asked the Duffedar of Vadiyankalli
to be present at the meetings to prevent disturbance
he used to come either personally or send a Constable
If these men are taken back as prayed for by them
the bank will never thrive - I don't say this through
any prejudice in fact I don't bear any ill-feeling towards
them but their dispositions & behaviour & general
character have been such that in the interests of the
bank I am obliged to say that they are very undesirable
men. I am myself sick of the worry caused by
the management of the bank and should be very glad to
be relieved. The bank was inspected twice by the
Deputy Shettiya once by the Deputy Commissioner & once
by the Accountants of the Deputy office and upon by the present
Inspr. I invited the Jamabandi Officer to inspect as also
the Amildar but they could not comply. The transactions
have been all above board. On the 28 ultimo I came
to Vadiyankalli on learning that the Amildar and Assistant
Commr Mr. P. Srikantiah were coming there to inspect
it. Soon before permitting people to occupy it I wished

Copy Memorandum No 2

Compl. Index No 21

Vide Memorandum

Ex No. 28

Complaint no 28

there all of the Court as they did not come and all
here left to Bangalore for a case to be heard on the 29th
I went on to Vedasandur late & meeting them
the way. We did not come that way. It appears
that Sivaramakrishnan came to Vedasandur from
Nandi direction at about 3 PM. I was there
about as explained above. I did not know that
I was coming there & inspect the bank. If I had been
informed of this, I would have stopped there &
made other arrangements. MR 21/6/99

[Note - The Amildar gave me a favourable opinion
of the character of President Ramakrishnappa
and the reverse of Linappa Schoolmaster
He said he had heard unfavorable reports about
the Asst Clerk Narayappa, but had made no enquiry
about them & could not say if there was truth in them.

The Statements of members called for will be examined

MR 21/6/99

Statement received on

Read defaulters Statement of June 1899 & checked
the Presidents Agent &
Hanumantaiengar & Khan Sahib replied to
letters & examined the complainants
Arrived at Vedasandur at 1/7/99 to ascertain what
steps the President had taken to rectify irregularities and
that resolutions were passed at the last meeting directing
the persons to consult to take charge of certain documents
Assembled to report to the Proceedings of
members of which copy was given him and to place

the affairs of the Bank on a letter from [illegible]

The bank office has not yet been brought back to Vadsonhalli People have come back to the town [illegible] proceeding to Yalwall but was informed on the way that the President had gone to Kolar about 5 days ago as also the Agent in connection with a case of murder committed at Kachahalli It seems they had gone to Kolar once before in connection with that case

Present School Master Sinappa, Hanumantaraya, [illegible]

They say that no meeting was convened by the President and Agent, and that a number of members, apprehensive of the collusive conduct of the President & Agent, have conveyed to ask the Bank authorities to convene meeting at once

Sinappa says that it was not true that he or any of the members caused disturbance at meeting, beyond what protested against improper measures & actions but that it was true the Dafedar attended the meeting once or twice he being a particular friend of the President

He further says that the Resident has since sold some of his properties on the pretext that they had not been entered in the list of Properties furnished to the Bank

Hanumantaraya, Amaldar [illegible] says that he [illegible] for renewal of Rs. 30 just for [illegible] a couple of months by which time he hoped to realise his [illegible] that the Resident they demanded that the Resident [illegible] complaining parties had themselves been [illegible] refused to receive application [illegible] and Agent & when [illegible] his property worth Rs 3000 has been [illegible] He says that all his property with Rs 3000 has been [illegible] while he has taken but a few [illegible] Bank Papers they say that the Resident [illegible] and that he is anxious to retire now that the affairs [illegible] collusive with the Agent to persist in mismanagement [illegible] and Hanumantaraya [illegible] members like himself [illegible]

he has sold one of his mothers maintenance lands, for Rs 351
while if he had waited for better times he might have realized
Rs. 500 and that he was going to sell another piece of land
included in the Bank property register. He further says
from the misrepresentations & disputes made or keeped by
the President & Agent - and says he has resolved to sell off
the valuable properties reserved to directly that managers
by any the meeting of Bank [illegible]

Here Shanmugha Hanumantharayappa wished to make a statement -
He says - I am one of the original 16 members about a year ago
I applied for a loan of Rs. 400 for agricultural improvements
but though directors approved of the grant of loan the President
failed to pay any thing to me & gave a loan to Chik Narayappa
I objected a Rs 30/ about 6 months ago & denied a
renewal till receipt of crops but he after repeated
regret very much that the President though it with his ability
to repay that he required to pay the sum of Rs. 30 & over & repay
& report that he required to pay the sum of Rs. 30 & over & repay
to pay this & moment I am to pay - only let me be
allowed for all arrears & permitted to retain, as under
present circumstances I feel it very desirable to continue
as a member [illegible]

He is told to make payment to the Bank -

Members present are told that the President could be
asked to convene meeting very early & set matters right [illegible]

Here Sh Hanumantharayappa says that Subbanna is
a very upright man & took great pains to bring the Bank
into working order it was already [illegible] but that
Ranganathappa assumed that office also: Subbanna would
never stoop to exact moneys from ryots: when he found the
conduct of Agent & President disagreeable he at once resolved to
[illegible] one of his best properties by mortgage & gave it for Rs. 400
while it was worth Rs 650 and paid the money to Bank. it is
[illegible] that he or other directors attempted or desired to
exact moneys or the other hand Chik Narayappa is in the habit of
taking presents and he has [illegible] took Rs. 10 from the Amildar
Rents & Shesha that a Godida person for property receipt

the very day Clerk Maxwell was admitted because he
knew the latter [illegible] a wicked man [illegible]

(1)

(2)

(3)

(4)

(5)

(6)

(7)

(8)

(9)

(10)

(11)

(12)

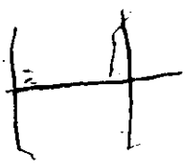
(13)

(14)

(15)

(16)

14-12-1901.



Present in person -
The following have come to make representation :-
(1) Karba Shanbhog Hanmantarayappa
(2) Kere Sh. Hanumantarayappa
(3) Sh. Bhimanna
(4) School Master Selvappa
(5) Marmigara Muniyappa

161

(7) Narayana Iruniyappa

Ve have been told that the points raised would be enquired into & reported upon.

Narayana Iruniyappa referred to in para 15 of questions about the allegation thereon. He says:—

I never applied to the President or Agent for any loan of Rs. 50/. Nor was I granted any loan of Rs. 50/. I heard a rumour that Ramakrishnappa had entered my name and taken Rs. 50/. Thereupon I went to him & questioned him. He said that he had repaid the money and I need not be concerned. This was about a year ago. When the Commissioners came here I represented to them about many things that had been taken in my name. Thereby Hanumantaraya Appa who was present took me to Ramakrishnappa saying he would enquire. Ramakrishnappa said he had written off the debt. Subsequently when Commissioners questioned me about this I mentioned that I had not received any money. I cultivate Ramakrishnappa lands. Recently I represented to him that members of my family were unwilling that I should have any connection with the Bank. He said that my name would be struck off and gave me this notice (Vide enclosure). It is dated 8th October 1930 and says the name has been ordered to be struck off at the general meeting. Ex. 14/12.

Here Hanumantharayappa states:—

On the occasion of Agent's tour Narayana Iruniyappa happened to call. Narayana Iruniyappa accosted me & came & sat near my house. He told me enquiry he said that there was a report that Ramakrishnappa had entered his name and taken Rs 50/. I was then a Director and Ramakrishnappa & I were on good terms. I took him to Ramakrishnappa & questioned him about the matter. He then agreed to shared me the account &

entered the ruling in Mr. Munisappa's name - Rama
Krishnappa then said that he to pay - who will ask
him for payment. I shall call after other payment.
to saying he entered payment - Reddy late Munisappa
Municipal Member was also present then -

[illegible]
4/12/61.

Venkatappa came in as the above was being taken.
He had seen me in the morning & made a verbal representation
about his not having been paid the full amt of the bond executed
by him & other matters - He says: —

That a year since I executed a deed for Rs. 300 - I was
paid only Rs. 150 & was told that the balance will be paid
after recovery from members. I have not yet been paid
the balance. I have been repeatedly asking for the balance
& receiving the same answer - I have already paid a half
years interest on the 150 Rs. paid to me - I have heard
of recoveries made since but know nothing of how
the sums recovered have been disposed of. The Pres[t]
and Asst have not been informing me of these matters
since the last two years. Ramakrishnappa told
me that I had ceased to be a director two years ago.
I know nothing of the loan granted to Venkatraja Pleader
& others since two years - I do attend meetings. Pres[t]
Asst & Ramakrishnappa & a few others become one
and keep accounts, and I sign as required by them -
No explanations as to details of expenditure are ever
given. Such explns were being given formerly, when
the complaining parties were in the Bank. Both
parties are the same to me - I am illiterate, but
can write my name - I did not ask for any explns
at the meeting, not being a director. I thought I was
to agree & did that they said & sign - My doct for Rs 400
has not yet been returned to me though the debt was discharged
The Pres[t] said it was mixed up with other documents

and could be returned later. I was present at the meeting held by Mr Narasinga Bhan. He spoke to both parties, and they all talked together and came to a settlement. Mr R. Bhan said that Brahman members ought not to be fined examined, but should be fined time for payment. Ramakrishnappa agreed and signed the proceedings. Now arrangements not having been brought into effect I questioned Ramakrishnappa. He said that the matter had been reported to the Subah (Chief) and his orders obtained. Subsequently there was a meeting at which these arrangements were disapproved. I was present at it. I took no part in the proceedings. The themselves talked about the matter. I signed the book when it was brought to me. I thought that Ramakrishnappa had received orders of the Inspector to cancel the arrangements. He did not tell me that any such orders had been received. As he had told me that the Inspectors orders were awaited, I believed the orders were to that effect. Narasinga Bhan did not intimidate or say anything to cause apprehension. Marannana Munigappa was present. He did not complain to Mr Narasinga Bhan that Rs. 500 had been taken in his name, in my presence. He might have done so before I went. I was seated at a little distance watching the proceedings but took no part in the talk. No one spoke to or questioned. I signed proceedings when asked. I request that enquiry be made about the balance of Rs 150 not having been paid to me and the Govt Rs. 400 not having been returned to me.

M.K. 4/12/01.

15 December 1901.

Byravanna Munigappa, one of those who have signed the Petn, appears and asks that an endorsement may be caused to be granted to him for his having been

been removed from the Company - he says: —

I came to know of my having been joined in the Company only after disputes arose between the Shareholders and the others. I never wanted the help of the Company nor did I ever ask to be admitted into it. I made no application whatever for admission. It must be the doing of the Shareholders. I have never had with them as I have occasion to go to them to pay Kandayam &c. They never spoke to me about my name having been included until after the disputes arose. They did not consult me before the admission. I never signed any application, except the one presented yesterday to the Inspector. I never attended any of the meetings of the Bank. I know nothing about the Company until after the disputes arose. I mean to this. I did not sign any of the papers presented by Shareholders - I mean I did not sign any but the one presented yesterday. I am over sixty years of age -

(He looks very old - He is informed that he had been removed by the G. Assembly two months ago on the ground that he was a defaulter of the Bank - He is astonished at the imputation, but says it is enough that he has been removed: the whole town knows that he & his father are: & that he lived to hear such a thing from the mouth of the Commissioner. He is told that it is the imputation recorded by the Bank and not any opinion of ours.) Witness

Resident Ramachandra says:—

(1) As regards repeated absence complained of —

re petition dated 28

After the Plague abated, I returned to Kadiyenhalli in December 1899 with family, from Yalandhi where I was staying during the Plague years. Since then I have been staying here with family. I go to Bangalore once in two or three months, as I have several relatives there and receive invitations. Recently I have had to go there on account of suit against Seenappa. Since then, last I have had to leave Kadiyenhalli much more frequently to go in quest of suitable bridegrooms for two of my daughters of marriageable age. I had gone to Mysore on two occasions, to Dunkur on 2 or 3 occasions, to Hindupur on two occasions and to Bangalore on several occasions. In my absence the agent was asked to look after the Bank's affairs, and when he too had to go out in connection with Court work, directors Achambhat and Appagowda were asked to look after the Bank's affairs. There two are residents of Kadiyenhalli. I had not been sending intimation to Taluk office about my leaving station. There was no rule or practice requiring this. If ordered this will be done in future. I see Amildar's Roznamcha of Shana dated the 7 October 1901 now shown to me. I very much regret the use of the expression wilful absenting therein. Neither I nor the agent wilfully absented ourselves to avoid seeing the Amildar. I am a member of the local municipality. The Board meets every month and the Amildar comes here for the occasion to preside. I have been attending these meetings. In 1899–00 I failed to

Cuppil 2nd Dec 1928

attend three consecutive meetings and was called upon to explain. I submitted that I had to go Bangalore in connection with the suit against Seenappa, and this explanation was accepted. I then represented that I had long been a Municipal member and should be relieved. Mr. Ranganna desired me to continue at least as long as he stayed in the Taluk. He had a good opinion of me and treated me with regard & consideration. In 1900-01 I may have been absent from the Municipal meetings on two or occasions, not consecutively, but occasionally. I had myself asked the Amildar in writing to make necessary enquiries and give his opinion about the suggestion made by Mr. Narasinga Bhat to the Inspector that the Bunk should be wound up. I reminded Mr. Ranganna about this every time that I met him here, when he came here for Municipal and Jamabandi work. He used to tell me that he had heavy Revenue work and would come when he had more leisure. He never fixed any date for inspection or enquiry nor sent me any intimation of his intended visit. I never came to know that he had at any time come to see the Bank or make enquiries about it and went back owing to my absence. Neither the Sheristadar, nor the Police Daffedar, nor any one else mentioned to me about the Amildar having come here on this account. If I had heard that the Amildar had come & enquired for me I would have forthwith gone to Devanhalli and seen him there. His remark that I purposely absented myself is unaccountable I could not think of any reason for his charging this

Cowell Rec'd
Jan 28

former opinion of me, except this:— The Mauthoo of Yalavelli belongs to me & my brothers, we had appointed Subbanna one of the dismissed members, as Sumasta, but he was found fault with & was therefore removed; next Here Hanumantacarappa, son Ranjundaja was appointed as Sumasta but he resigned the post & sent back the daftar to me; the Amildar insisted that the Hakdar either myself or my brother should do the duty. I declined to do the duty personally and endeavored to appoint a Sumasta; the Mauthoo of Vadeyarhalli who are at loggerheads with me dissuaded all likely persons from taking up the post; at last I succeeded in getting one Venkatesia of Konsandra to take up the post of Sumasta; it seems he had been suspended by the Amildar, but I was not aware of this; the Amildar disapproved of this and several other persons named, and wished the aforesaid Ranjundaja being re-appointed; I said that I would not go & seek a man who had discarded the office and who besides was endeavouring to get the work itself conferred upon him; the Amildar then issued strict notices to my brother, the registered Hakdar; the latter died; I therefore sent a petition stating that myself and my brothers had by common consent appointed Venkatesia as Sumasta and that he should be recognized; Venkatesia now continues as Sumasta; and this probably has caused displeasure to Rao Ranjanna, as he seemed inclined to have Subbanna appointed: Narasappa agent was much at Vadeyarhalli, and slept there & he attends the bank office, and could easily have been found.—

Cowell Index
Jan 27

ii The arrangements made under the auspices of Rao Narasimha Rhau could never have worked

Confdl Order No 1

satisfactorily and they had to be set aside for the reasons fully explained in the subsequent proceedings. Master Jeenappa was then fined Rs 50 each time in contravention of the terms of the decree. If he failed to pay under the new arrangement the Bank would, it was thought, have no remedy against him as the old decree would operate as res judicata. Other defaulters would claim the same concessions & the Bank would be paralysed. These and other reasons are fully explained in the subsequent proceedings. I had no personal motive in setting the arrangements aside. I was indisposed when the meeting under the auspices of Rao Sahib Bhaskara was held; the next day I got fever & ague and while I was still ill I got the Amildar's yadi asking for an answer forthwith. So I left Jaimini Bhatta to write a reply & send the copy of proceedings asked for. In the Amildar's presence I felt a sort of restraint, and I also thought that the arrangements suggested by him might be made - and I had no personal motive or object in opposing what was suggested. Subsequently I found that other members were asking for similar concessions, and the difficulty of recovering even interest from members faced me. When I began to think about what had transpired and the inconveniences & other reasons noted in the subsequent proceedings then occurred to me, and I thereupon placed the matter before the General Assembly.

Confdl Order No 2

I endeavoured to secure another to take the place of Chikka Nanappa but could not get a competent and trustworthy person. I tried to train up Cockaiah that but he is a Vaidika and does not to Pachak there are others, also Vaidikas, who cannot satisfactorily fill the office at present. One of these complaining charges

may be re-admitted and taken as agent, but they are not trustworthy. They are not men of good character & reputation, and they will not fail to act up to their training as shanbhogs.

Circl. Order No 6

The Chief Court have since accorded sanction to the inclusion of all unregistered villages the registration of which was sought, excepting Nos 36, 38, and 39 mentioned in the Proceedings of the General Assembly dated 6th Sept. 1899 and these three villages are Harobande, Balla halli and Patamuchakopalli. I represented to the Court through the advocate that these three were very far and might not be included. The other villages are within a radius of twelve miles from Vadiyarhalli. As members of these villages i.e. members having either residence or lands therein had previously been admitted to the Bank in spite of Rules, application had to be made for registration of those villages. No other villages have been included. The complaining Shanbhogs had themselves sought in the admission of such members. I observed that men living at distance ought not to be admitted but they insisted upon their admission. Vide Proceedings of the Gen. Assembly, dated 28 Dec. 1896 which are signed by Hanumantayappa Seenappa and others, also Proceedings of 14 July 1897 which are signed by Hanumantayappa & Mallappa Mr. Ranjundappa, also the Proceedings of 23 January 1898 which are signed by Mr. Hanumantayappa, also the proceedings of 16 July 1898 which are signed by Mr. Hanumantayappa. Subsequent to the removal of the complaining parties only two had been admitted, namely Chandappa brother of the Agent Mr. Narsappa, and Jayarama Krishnayarlu who is a nephew of Jaimini Bhat who is an Executive member of the Bank. Chandappa

and Chikkaranappa Hough divided as they are living together and the latter desirous of adopting one of the sons of Chandrappa. The lands of Krishna Sastri are under the management of Jaimini Bhat.

Lists of property of the rival members were submitted to authorities - About three years ago the Amildar Dr. Rangappa took me with him to value the lands in the villages of Vadigenhalli, Chandapura, Chandenhalli Ramasandra, Jodi Bhatenhalli, Sattihalli and Venkatenhalli. He made no Kabagars, but saw the lands, questioned those present and made pencil notes in the list. He did not visit other villages. I reminded him of this several times - He said he would come when he found leisure for the sake of convenience he asked me for a list Gramwar i.e. of all lands in a village to be seen & valued. This was prepared and submitted about three years ago - The Amildar of Chikballapur & Sidlaghatta did not send former Govt -

The removal of, among the complaining parties, those removed in 1897, 1898 and March 1899 has been explained at the previous Enquiry - Those removed since are :- Complt Order not

(1) Kesta Sy. Hanumantarayappa on 6-9-99
(2) Amanikere Sy. Hanumantarayappa " "
(3) Shanbhog Bhimanna . . . . . " "
(4) Patel Gubbegauda of Vadigenhalli on 6-2-01
(5) Ayavannan Munegauda . . . . . " "
(6) Timmayannan Munegauda . . . . . " "
(7) Narasigana Munegauda . . . . . " "
(8) Eerappa . . . . . " "
(9) Ranjappa . . . . . " "
(10) Ramanna -
(11) Tipla Konerappa

Reasons for their removal are given in general terms in the proceedings of those dates - details can be furnished with dates & references.

(To be summoned tomorrow if heard to-day 14/12/01)

15 Dec. 1901

The President Rao Kanakrishnappa says:—

suppl. Index No 6

I show the original proceedings of the Jan. Mtg. dated 28 Dec. 1896 at which 34 new members were admitted. (18 folds) Here proceedings bear the signatures of (1) Annamiker Sy. Hanumantharayappa (2) School master Seenappa, (3) Kasba Sy. Hanumantharayappa, (4) Sy. Bhimanna, (5) Srikantaiya, (6) Mallur Sy. Ranjindappa, (7) Venkatachella Sy. Subbanna who are now complainants - I show the original proceedings of 12 January 1897 confirming the above proceedings - Here too bear many others the signatures of Kasba Sy. Hanumantharayappa, Rao Sy. Hanumantharayappa, School master Seenappa, Sy. Bhimanna, Venkatachella Sy. Subbanna, Srikantaiya & Mallur Sy. Ranjindappa among the complainants - I show the original proceedings of the 14 July 1897 relating to the admission of 22 new members - Here bear the signatures of among complainants, (1) Rao Sy. Hanumantharayappa, (2) School Master Seenappa - I show the proceedings of 28 July 1897 confirming the above proceedings Here bear signatures of among complts (1) Sy. Bhimanna - I show the original proceedings of 23 Jan. 1898 relating to the admission of six new members - We bear the signature of among complts Rao Sy. Hanumantharayappa - I show the original proceedings of 5 February 1898 confirming the above - Here bear signatures of among complts the said Rao Sy. Hanumantharayappa - I show the original proceedings of 16 July 1898 relating to the admission of 8 new

members. Mess bear the Mysore Govt Comp[ts]
the same thanksg[s] & bear the Govt proceedings
of the 11th August 1898 confirming the above. They are Confirmation
also signed by the same Shanbhog.

From all the new members i.e. from No 17 inclusive
applications for admission have been received accompanied by lists of their property. Now all the original applications from No 17 to No 104. Up to end of Oct 1896 the procedure was to refer such application to the Board of Directors and obtain their certificate as to the existence and value of lands mentioned in the lists. Accordingly the applications and lists of members No 17 to 68 inclusive, excepting No 34, had been examined & reported upon by the Directors among whom were Shanbhogs Bhimacharya Kasba Hanumantharayappa & Kere Ramamantharayappa. (Note - a list is made showing which of these Mgrs have reported upon each Appn) - The Appn of No 34 was not referred to Director because the Appt was my raiyat & known to me. His Appn and lists are in the handwriting of Venkatachallay, subhanna now one of the complainants. His raiyat has since been removed having left the place & he has obtd no loan. The applications of No 69 et seq were received in and after June 1897. They were not referred to the Board of Directors because there was no money & pandaram to have loan Appns, and lists were sent to the Taluk Machine for inspection and valuation of lands. If the add[l] loan applied for was sanctioned by Govt, I thought of referring the Appns to Directors - upon receipt of valuation by Taluk authorities. Inspection & valuation by Directors in the interval was deemed unnecessary waste of time & trouble. The members No 76 to 90 and Nos 98-99 were brought in by Kere Mg. Hanumantharayappa and their applications are all in the handwriting of his son Ranganaiya. These men belong to Merlur of which he was formerly Shanbhog, and Mallura which is abt a mile from Merlur.

In the case of the original 16 members there are no such applications for admission. They have signed the

GOVERNMENT OF MYSORE

No 1

Memo & Articles of Association. I hear the Memorandum made by Dyavanna Munisappa & the Inspector (Contents whereof it was explained by me) - I was not acquainted with all acquainted with them. The signatures of the Brahmin members and of Maraiyan Munisa, Dimmaiya Munisa, Patel Chikkefauda, Mekal Dimmaiya whom I knew well were made in my presence as the Articles of Association. All the sixteen signatories were present at the time & affixed signatures in my house. The remaining person also signed the Arts of Assoc., but as I was not well acquainted with them I cannot be positive that it was the person now known to me as Dyavanna Munisappa. Builder Mr. Sheshkanna suggested the forming of a Bank - I then spoke to the Shanbhogs and said that about 16 men should join in the first instance I sent for the Brahmin members and also Patel Chikkefauda, Dimmayanna Munisa and Maraiyan Munisa - The other raiyats were brought by School Master Veerappa & Shanbhog

No 4

The renewal of Karba Sy H., Kere Sy H, & Sy Bheemanna on 6 Sept 99 was due 6 ~~Sept~~ defaulters to pay instalments interest - Karba Sy. H. ~~has~~ up arrears in respect of second instalment of Rs. 50 due on 26-11-98, and ~~has~~ IV class loan of Rs. 25 due on 22-4-99. In their proceedings of 16 July 1897, the General Assembly have ruled that persons defaulting to pay principal Sh. for the first month pay a penalty of 1 pc and for the second month a penalty of 2 pc and that if they fail to pay in the third month two they shd be liable to removal & payment of whole debt, principal interest & penalty. In the same proceedings they ruled that in regard to IV class loans, one renewal for sufficient cause may be granted & that no further application for renewal shd be accepted - Karba Sy H. paid the said instalment on the 25 January 1899 that is on the sixty first day according to the mode of calculation we followed.

He was also in arrear in respect of interest for the half year
It was due according to our mode of calculation on the 25th Nov. 1898. but was paid on the 25 January 1899. According to a rule in the same proceedings in respect of default to pay interest, a member who defaulted in full two months was liable to be called upon to pay the entire debt with interest & penalty and also to removal. Under this rule Karbasthy. H became liable to removal & the matter was placed before the General Assembly on the 1st February 1899. The Assembly condoned the default and warned him & others similarly situated against similar defaults in the future. He next allowed interest for the sixth half year due in June 1899 as also the IV class loan of Rs 25 due in April 1899 to be in arrear. After waiting for four months in the case of the 4th class loan, and after the lapse of two months in the case of interest, the matter of default was laid before the General Assembly on the 6th Sept. 1899, & the Assembly resolved that he (among others) should be removed & called upon to pay the whole debt. After removal according orders were issued to him for payment of whole debt. He objected to pay to the Bank, but eventually on the 15th Oct. 900 he repaid the whole debt principal Rs 425 and interest by selling a few house & a few lands. The Proceedings of the 28th July 1897 containing the above rules above referred to are signed by, among others, Kere Sy Hanumanthanayappa, & School Master Seenappa; and the proceedings of 28th July 1897 confirming the above are signed by, among others, Sy. Bhimanna.

Kere Sy. Hanumanthanayappa was in arrear in respect of IV class loan of Rs. 30 due on 25th June 1899. After the lapse of two months his case was also placed before the same G.A. on 6th Sept. 1899 and the Assembly ordered his removal also. He the interim myself in person and the Bank peon demanded him for payment several times, but he did not pay. He eventually paid the amount with interest on 3rd July 900 but has withheld the penalty about 6 or 7 annas.

Sy. Bhimanna was in arrear in respect of the second instalment Rs 60 due on 25th Nov. 1898 as also of interest

Court Notice 1904

in the fifth half-year. These were paid on the 25 January 1899. In the General Assembly of 1 Feb. 1899 this default was confirmed and he was warned. He again defaulted in respect of the IV class loan of Rs. 50 due on 15 April 1899 and also of the interest on I class loan for the six half-years due in June 1899. His case was considered in the G.A. of the 6 Sept. 1899 & he was also ordered to be warned. Thereupon notice was issued for the payment of the whole amt not only on acct of the said default and order of the G.A., but also on account of the endorsement made by him to Palaniappa on his 2 pcd land held by a third party and the order rec'd from the Chancellor's Office on the 6 February 1899 in regard to this matter. He failed to pay, notwithstanding repeated oral demands through his friends, and at last after the lapse of two years, i.e. on 5 Nov. 1901, a suit was filed against him, and it is pending. After service of summons he told a lawyer to consult with the view of paying it & asking for time for the balance. But Secretary's advice has not to pay & thereupon he applied for an adjournment to put in pleas.

The removal of the eight persons on 6 Feb. 1901 was due to their neglect to attend meetings, refusal to receive notices, and the preferring of petitions against the Bank. These opposed the application made to the Chief Court for extension of period and some of them were parties to the proceedings held without authority by Hanumantarayappa & others, whose partisans they were. None of these eight had taken any loans from the Bank.

Up to this suit had been filed against (1) Venkappa schoolmaster, (2) the three Melur ryots named Chik Muniya, Doddmuniya and Honnappa, (3) Bhimanna (4) Subbanna & (5) Mallur Rangiddappa. The reasons that led to the filing of suits against (1) & (2) have been explained in the previous Enquiry. There had since been judgment & decree against these parties. The reason for instituting suit against Sy. Bhimanna has been supplied above. The defaults made by Subbanna & Rangiddappa

Complete Nos 5

and the reasons that led to their removal have been explained at the previous enquiry. They failed to pay although two years elapsed and in spite of demands through their friends. A written notice was issued on 12-2-1900, but in reply to it the said staff the would not pay their dues to the Bank & that as they had preferred complaints they would pay to Reasons after disposal of the complaints. Payments made to them on 22-6-1900 pointing out that they had not paid either to the Peons as noted by them or to the Bank that the reasons would not as observed by the Inspector receive any sums on behalf of the Bank without a challan from the Bank, and that they shd pay upto 8 days. No reply was received. Even after this, I desire their friends to speak to them. As regards Subbanna there is this additional reason:- he effected partition with his brother after joining the Bank as noted at the previous enquiry. The brother took a loan from a third bank on the security of a land & settled by Subbanna to the Bank: that third party filed a suit against the Brother and obtained an ex parte decree. In such a suit was filed & decree obtained there was risk to Bank's money.

The question of granting casual festival loans was raised before the Inspector on 6-Sept-95. They decided that these loans were necessary & be continued and that even a second renewal of them shd be allowed. These loans had not been given to any of the new members of other Talukas besides those who had been granted loans before the receipt of the Insp's letter on the subject. There has since been the sanction of the Chief to the request of members of such former unrestored villages.

The Agent Vijayanagara has not yet remitted to draw from Bank the sum of Rs. 350/- referred to at the previous enquiry. It seems that the major portion of this has been misappropriated by the Nazir of the

Compl. Inspection no. 13.

Compl. no. 12

Court Chandrasekharaya and that for Sanctioned has not been received for payment of the amt for the Treasury. Chikkanayappa had gone to claim the amt but was told that the Register was in the Office & he intends utilising this sum of Rs. 350, to pay to the mortgagee Sheka Bhat. It is true that a sum of Rs. 450 out of the loan of Rs. 675 obtained from the Bk had been deposited in the Bank for payment to the mortgagee; but this was drawn by him subsequently in view to deposit in Court in connection with the suit he filed against the mortgagee; he accordingly deposited it in Court, but I do not know the date on which he did so; and he subsequently took it back from the Court, how long since I do not know, and used it for building his house at Kachavalli. He felt hard pressed to meet the expenses of house building and consulted me about withdrawing the sum of Rs. 450 lodged in Court. As there was other tangible security, and as further there was the sum of Rs. 350 due to him from Court besides the amount due under another decree, I counted to his withdrawing it. His solvency has considerably increased subsequent to his admission by the addition of the valuable lands since acquired by him & the Pukka house he has built. The docts relating to these new lands have been delivered to and are in the custody of the Bank, but the lands have not yet been entered in the Property Register because there is no space in the old register, and we have had no time to write up the new form of Register.

I have not sold any of my lands not specifically mortgaged to the Bank except the one referred to at the previous enquiry. All the lands held by me are entered in the Register including those referred to by the complainants. I have

Rule as suggested at the previous Enquiry obtained
Vaupsed acknowledgment of the Exclusive right
in the properties mortgaged to the Bank and
mentioned in the Banks Register pending both
Siddanna and applicant Venkat Rao -
sister-in-law has by application taken the place of
my dec[d] brother Krishnappa as a Member of the Bank

The Agents brother Chandrappa has since become
a member of the Bank and has given a list of his
separate property. His elder brother Narsappa is
divided in interest from him, has been the recipient
of separate lands, and has effected partition among
his sons under a registered deed.

The Property and Members Registers will be
written up in the new printed books in February or
in the early part of March until when we shall not
receive income

The question of fixing a limit to loans with regard
to value of property had not been placed before a Panchayat
Assembly - In Chenjiah Chetty at the time of Inspection
said that it should not exceed 50 per cent and
I considered this was sufficient - The limit had not
been exceeded in the case of subsequent loans, as
regards the second class loans I considered that
this limit should not apply because there were
Sureties to share the responsibility jointly & severally
with the principal - The matter will be placed
before the next Gen[l] Assembly -

It is not true that Chik Ramappa was a member of
either his brother Chandrappa or Kandaswamy Mudaliar
in the Chik Pet Bank, and that they were admitted
to Bank on this account - Chik Pet Bank had this
filed a suit against Chandrappa alone, and the
latter took a loan from this Bank and paid it Court -
The discharge bonds produced by Kandaswamy Mudaliar

are in the Bank & the do-not clear that the sureties.

Compl. in Ola no 73 of 14

The recipients of 4th class loans, who had not before obtained any first class loan received them for agricultural purposes such as buying bullocks, manure &c. Some of the recipients of 1st class loans obtained 4th class loans to make up instalments due, namely Nos 2 Kaliba Mp. H, Nos 8 Appaji No 6 Sivadhar, No 17 Venkatramanappa, No 18 Ramappa No 20 Venkatapathi Nos 22 Seshappa Nos 25 Doddanna, Nos 27 Ramanjinadaiya, No 27 Ratnamappa, No 28 Mp. Thimmanna No 63 Mp. Ramaiya. The 4th class loans obtained by others were for agricultural purposes. Some of these borrowers outside to pay the bank at due date, and again obtain a loan from the Bank to repay the new creditor. No written applications are received for 4th class loans. Upon oral applications, the loans are given and receipts obtained in the Receipt Book duly stamped, and in the receipts allusion is made to the loan as 4th class. The applications & personal directions given are not taken for or obtained as in the case of other class loans. This has been the practice hitherto. I wished to enter here & appears in the Directors Pass Book and obtain their orders, but the objected saying it would be giving them needless extra trouble. There is no need of the views expressed. The complaining parties had themselves received such loans under this procedure.

Compl. Order no 15

Appaiyanna, Muralidhar & Ratnamappa jointly obtained a second class loan to pay instalments due under I class loans. Lakkanna Thimmayappa obtained a second class loan for the same purpose on the sureties of Muddappa & Thikkappa.

Such help was not applied for by those removed nor was in these days the rule permitting 2nd class loans. The rules to which the complaints were parties were then enforced. Further experience gained had shown that no such help could be given & such help was applied for since. I was from the beginning against

granting 2nd class loans, but a great number of members desired that these shd be granted & there was a Resolution of the Govt Assembly accordingly on the 6th February 1901.

(Copy of Resolution No 5)

Since then 6 loans of 2nd class were granted of which two have been repaid. Written applns are presented for these loans. They are entered in the Decision Book & their orders obtained thereon but the object for which the loans were obtd is not stated in the applns or in the Pass Book. I obtained the loan of Rs 350 to prepare myself for my daughter's marriage, but as the marriage was put off I at once returned the amt to the Bank. It was not possible for me under the conditions under which the Bank is worked to apply for and obtain a loan elsewhere nor was it consistent with my dignity to seek such loans elsewhere. Rather than borrow elsewhere first and then endeavour to get by obtaining a loan from this Bank, it seemed to me that this Bank might in the first instance be approached for such help of a very necessary kind. The loan of Rs 700 obtained by Agent Chik Ramappa was to enable him to push on his house building work. He thought after got a profit of Rs 700 from a land purchase & speculation and thus be paid to the Bank to liquidate the said loan. The sum of Rs 1000 obtained under the Rs 1000 notes differ by Venkataraja Bhat, myself & Kuppakalli Muniyappa has been shared by all three persons thus:— Venkataraja Bhat taking Rs 300, myself Rs 500, and Muniyappa Rs 200. This distribution has been made under a private understanding. V. Raja Bhat obtd the amt Rs 300/- for the improvement of a Devadaya land he has in enjoyment of at Sollur Kalli. to grow mulberry &c as also to celebrate the marriage of his nephew. I took the amt to prepare myself for the marriage which was fixed to take place in March and shall keep it when the harvest on hand is over. Muniyappa took the amount to build a house. The Govt loan of Rs 500 was obtd by the Agent to meet his house building expenses. The house has already cost him upwards

of Rs. 4000/- and is still under progress - (Note I have seen the house. It is a substantial house in the design of a Bangalo, planked & terraced), and thus loan he will repay immediately after the harvesting on loan is over. The next loan of Rs. 300 was obtd by Appayyanna, Sanbhatta Subramappa to enable them to pay instalments & for other purposes not known. The other loan of Rs. 300 obtd by Channayya and two others was obtd likewise jointly for meeting demand for instalments & jointly for other purposes.

Cancelled Index p. 2 18

The demand for Rs. 700 on behalf of Govt was received from the Taluk very recently, and it did not specify that amt was claimed on account of instalment of Govt loan. The Deputy Commr ordered that the loan shd be repaid by the instalments of Rs 1000/- each was also recd very recently. A part of the second class loans, and all the instalments due will be recovered by the end of March 1902. The instalment for 1900-01, Rupees 1000, will be paid by the end of March or in the early part of April. That due for 1901-02 will likewise be paid in March or April of the following year. The crops will be realised in these parts in February and March. I pray that the sanction of Govt may be obtained to this arrangement.

When the decree debt due from Seenappa was recovered, I was not at all aware that the first demanded the payment of instalment and as there were pressing applications for loans as explained, the amt recovered was utilized

Loans have been granted to those who applied for them. Those members who have not been granted any loans have not yet applied for any loans. They joined the Bank in the hope that Govt sanction the further loan applied for & that they might take such sums as they required

Unpaid Index 1898, 15

50

and of the add[l] loan. We have stopped every payment with the said hope - but of late it has become clear that Govt will not give more money & wants what has been lent to be repaid & instalments it remains to be seen what these members are going to do

To two persons - Mr Mal Ramanaja and Upadya Ramanaja part of consideration mentioned in their deeds has been paid - 2 1/2 to the former Rs. 150 and of Rs. 300 and to the latter Rs. 75 and of Rs. 150 - The former expressed desire to me to pay him the balance in February so that it may be convenient to him to pay instalment when he realises his crop - The other has left the amt pending settlement as a dispute as to a site he is desirous of buying - Only the sums paid actually viz Rs. 150/- and Rs. 75 are entered in the accounts - (Receipts shown)

To be renewed tomorrow, it being late 5/12

Renewed 16-12-1901 - The Secy Mr Rama Krishnayya

Dr. —

Notices are invariably issued to all members convening a meeting of General Assembly, and the meetings of the General Assembly are held in my house mostly in the hall & sometimes in the Bank office room when attendance is small - Two or three of the meetings were held at Yalavalli during the Plague season, and the are convened at the instance of Mr Ramanuja Rao was held at Appamanayaka's Chavadi in the Fort of Vadiyamballi. The notices are filed in the Bank - Thus are five issued & served during 1896,

four	"	"	1897
four	"	"	1898
seven	"	"	1899
five	"	"	1900
four	"	"	1901.

[illegible] to the Bank Peon who knows all the

members well and who besides is given a list of the members to be served made village wise. Post cards are sent to those residing at a distance eg. at Bangalore, Tekkalli Gidlaghatta, Kaudvara sometimes those reserved had rec'd notices during the time they were members: none issued to them after removal (receipt are sent at the desire of Mr Narasinga Rao the notices are seen and returned) - Balance sheets are placed before the Genl Assembly every half year and read, and explanations if asked for by any are given. Intimation of the consideration of Balance sheets is given in the notices convening the meetings and all who care to see the Vahi Accounts were and are at liberty to attend the meeting.

Cash Rules No 21

All applications for loans are entered in the Directors Pass Book - It will be seen therefrom that five applns viz. Konappa, Venkappa, Ramanna, Virappa and Ranjappa were not granted the loans applied for, the directors among whom were complts having recorded the opinion that the security offered was insufficient & that the amount asked for was excessive. The application of Hanumantarayappa for a loan of Rs. 400 was granted, but he said he would take the amount for the marriage of his son Ranjundaya when the same was arranged, though in the appn it was stated the loan was required to pay sundry debts & to buy manure &c - At the marriage time he sent his son Ranjundaya who was then my Mg. Zemindar, for the money, but there was then a balance of only Rs. 50/- as I was then at Galoor Galoorhalli I gave Ranjundaya what I could as a gift, and told the Agent to collect what was possible and give it before the marriage - But Hanumantarayappa does not appear to have gone to the Agent and dft any portion of the loan. He did not bring Stamp paper or execute a deed in favor of the Bank for the loan - Until I went to Galoorhalli, Hanumantarayappa and the

Dr No 19

Dr No 25.

were very thick friends coming together to my house and talking most familiarly. He used to go to the Agent's concubine's house & spend his time there in the Company of the Agent, but for some reason or other they seem to have fallen out since and become bitter enemies. This Hanumantarayappa keeps Rajarosa a tailor woman and she lives with him in his house (Note - I had private information about this from the Shekdar and questioned the Petitioner. He did not volunteer). Although the facts were as above Hanumantarayappa has been telling the Amildar and others that I purposely failed to grant the loan sanctioned though it was required in a hurry and he was ready to give excellent security. As regards the security, the lands mentioned by him were all Service Inam excepting one appearing at Rs. 3. I noted this fact in the Cash Book but he managed to induce the directors to pass the loan. It is fortunate that the loan was not granted. Court Order No 25

I have granted fourth class loans to all who came to apply for them and using my discrimination as to the amount to be given. Complainant's Order No 13

The only person who may be called a ryot, that had been granted a first class loan is Kandavara Ramia. Kandavara is nine miles from here. The security given by him is excellent. I have seen the lands personally. The Complaining Mailligs were not directors at the time. He is in no way related to me. He is Vaidika Adike Inam Badagannavaru. Court Mahazar No 8

I show the receipt granted by Narayana Menige in the Receipt Book for the grant of the Land-loan of Rs 40/- on the 6th October 1897. (It is a stamped receipt bearing a plough mark & the attestation Ramaiya, Asst. Master) I show also the entry in the Cash Book dated 3rd January 1898 showing repayment of the amount by him with interest thereon for 90 days, amounting to 15 annas. The repayment was made at due time. I swear that the transactions were genuine and not fictitious. The allegations now made by Narayana and Kere Hanumantappa are false. Narayana. Do No 14

Compl! Inder no 14

Ramaya was very partial cultivating the Mitrakanna land ~~that I sold~~ for Rs. 500. He was desirous of buying it himself and offered Rs. 250 for it. I could not agree to part with it for that amount. He then began to dissuade intending purchasers by inventing stories. When I got the offer of 500 Rs. I asked him if he would take up the land for that amount. He declined & tried to dissuade the purchaser, but the latter was firm. Having thus lost the land, he bears a grudge and makes false accusations as instanced by the Shanthoja. So far as I can remember, neither Sri Narasimhaiya nor the Amildar had come to this town on the date of prepayment, the 3rd January 1878.

Compl! Inder no 8

The valuers fixed by the Director at the time of admission have not been altered in any case to favour any body. Only those members have been granted loans whose properties had not been inspected & reported upon by the Directors inclusive of Bhimanna and the two Hanumantharayappa. There three are No 76 Malur Munisa, loan for Rs. 200, No 105 Chandrappa brother of the Agent Rs. 600, and No 106 J. Krishnavadhi nephew of ~~Superintendent~~ Jayanini Bhat, Rs. 300. The present directors Achambhat, Appaiyanna, Venkatraya Bhat, Kuppahalli Munijappa, and Lakshmanna have seen the lands mortgaged by these and satisfied themselves as to the value of Security before passing the Applications. The three former are Brahmins & the two latter Vokkliga. I had personally seen some of these lands, and had gone with the Directors also. I can positively say that the value of Security in each of these cases is more than three times the loans.

Dr Nos 7

In the beginning the directors were all Brahmins viz- the two Hanumantharayappa, Bhimanna, Appaiyanna Keshabhat. Subsequently I introduced two non-Brahmins named Patel Venkatappa & Ramadasi Venkatramanappa both of Vadigenhalli on vacancies occurring. All the directors happening to be of Vadigenhalli, the Shanthoja

Compl. Book No 7

suggested that circle directors, preferably non-Brahmin agriculturists ~~[illegible]~~ be appointed to do the valuation & and inspection of the lands of members periodically in a satisfactory manner A. circular also was received from him to this effect. Thereupon at a general meeting the Brahmin directors were all retired and non-Brahmins elected namely ~~[illegible]~~ Chikkamuniyappa and Reddijan Koneraffa for Vadigenhalli circle; Patel Chikkegowda of Yalavalli for the Eastern circle; Lakshmamma of Avati for the Southern Circle; and Huppahalli Munigappa for the Northern circle. This was on the 23rd January 1898. These made the valuation work as required by the respective, except Koneraffa, who did not at all go & inspect the lands. Then at the next meeting in ~~August~~ April 1898 Here Hanumantharayappa was appointed to take the place of Koneraffa. At the next meeting in February 1899 Mekeri Timmaiga, a Beda land-holder of Vadigenhalli was appointed to take the place of the said Hanumantharayappa who was retired, having ceased to attend the Board on account of the disputes which arose. At the next meeting held in Sept. 1899 Jodeda Appayamma & Venkatraja Bhatta of Vadigenhalli were appointed to take the place of Chikkamuniyappa and Huppahalli Munigappa, who, owing to the Plague scare had gone away and were not attending to Board work. At the next meeting held in March 1900 Lakshminarayanasastri of Vadigenhalli was appointed to take the place of Mekeri Timmaiga who too made himself scarce during the Plague scare and had not yet returned to Vadigenhalli. At the next meeting in August 1900 Huppahalli Munigappa above referred to and Achaur Bhat were appointed to take the place of Patel Chikkegowda who wished to be relieved and Lakshminarayana Sastri who was taken to the Executive Board to fill a vacancy. There have been no changes since. The practice is to make these appointments at the next meeting the are retired, and

...desire

either re-appointments ~~and~~ or new appointments are made. So the directors now are two-non-Brahmins Kuppahalli Munigappa & Lakshmanna and three Brahmins, Appayanna, Achamma Bhat and Archak Venkatraja Bhat. The Executive Committee consists of three members who are always Brahmins as they have to check & audit accounts. There were at the beginning (1) Jaimini Bhat, (2) Mallar (Green Shop) Narsappa & (3) Mallar Shambhog Ramanna. On the demise of Narsappa, Dandigenhalli Shambhog Srinivasaiya was appointed, and on the removal of Sh. Ramanna Sh. Nanjundappa, Kandavara Sh. Ramaiya was appointed. The latter was found not taking an active part jointly with others in the examination of accounts; and so Lakshminarayanamurthi was made to take his place. They are not related one and the allegation that they are mbsuriant one is not true. There is no cause for any anxiety. The changes have all been made at the General Assemblies.

If the liability of Venkatraja Bhat were taken under the mode of Rs. 100, the second class loan, the total amt of his liability will come to Rs. 1530 i.e. Rs. 30 & seven of the limit fixed in the Association. I was under the impression that three persons who were in need of loans might combine and take a combined loan, each being a surety for the two others, and taking what he wanted; and accordingly the applications were in the names of three jointly without distinguishing any as principal or surety and the Ho. note was by the three jointly. Under this view, I was under the impression that Venkatraja Bhat's liability under the Ho. note would be only to the extent of the amt he obtained. His instalment will be shortly recovered: when the liability will be under the limit fixed. In future the member in need will be taken as principal, and two others not in need will be required to be his sureties. The amt of the second class loan will also be reduced by a resolution of the Genl Assembly.

Mr Hemphill Shelly suggested the reduction of the limit of cash balance in the hands of the Bd of Directors from Rs. 1000 mentioned in the Act of Incorporation to Rs. 300 or 400. His letter was placed before the Genl Assembly of 16 July 1898 - The Assembly thought that the limit ought to be what was prescribed in the Act of Apost & that any reduction would cause inconvenience to members - They resolved further that the balance should be in the personal custody of the President. The members feared that cheques would not be readily cashed at the Public Treasy from causes which are too delicate to be expressly mentioned and they therefore preferred money being at hand here and taking loans in cash direct from the Bank - Thus from the beginning not a pie has been remitted to the Treasy in excess of the interest due to Govt, current account with the Treasy not being opened - There is a small Postal & Savings Bank office 2d class - If money is kept in it, it has to be sent to Devanhalli, and when required it has to apply to Devanhalli and get it back from there the Postmaster gets a pay of only Rs. 4/- I do not keep large sums on hand for any length of time - At the most such large sums will be on hand for 15 or 20 days - When members come to know that funds are available applications come in, and the loans are granted few days interest will be lost but the convenience members is great - It is true that on some days the balance has exceeded Rs. 1000/- but such excess has not occured at the close of the months - Formerly daily balances were being struck - but Mr Hemphill Shelly ordered that balances shd be struck at the close of every month - & thought that the rule requiring the balance to be 1000 and under applied to the balance so struck at the end of a month -

Cash Rules No. 18 & 30

The book with receipt forms & counterfoils for granting receipts to members who pay their dues is kept in the Office those who have asked for receipts - about 75 per cent of

members, have been given receipts in manuscript with the Bank's seal affixed to them. Those who did not ask for receipts have not been given any. In future a printed book with counterfoils will be obtained and used.

Receipts have not been obtained for payment of deposits and interest thereon. The recipients are myself, Ajant Chikballapur and Kandavar Rama. We can see that the entries in the cash and Ledger were sufficient. Vouchers will be obtained and filed.

I see the erasure at page 45 of Vol II of Cash Book. It was principal is substituted for interest. It was a 4 item loan. The Agent thinks that it will be renewed entered loan. The Agent thinks that it will be renewed entered receipt for interest only. I saw that the loan had already had two renewals and that a third renewal was against rules. So I paid up the principal & the entry was struck altered accordingly. Hereafter red ink corrections will be made. I see the erasure at page 83 and the apparent inter-writing. The recipient Chandrappa was at Chikballapur in connection with a suit against him. He wrote to the Agent Narasappa asking him to send Rs. 50 to Chikballapur out of the amt due to him in respect of the debt for Rs. 600 executed by him. Being he would send a receipt from Chikballapur. Accordingly the amount was taken to Chikballapur personally by the Agent Chandrappa's brother. As it was doubtful whether the Agent will bring back the cash, or pay it, there was not at the time entered in the Cash Book. The receipt for Rs. 50/- was received that same evening but through oversight I forgot to enter the amt in the Cash Book. When balancing at the close of the month the difference was discovered, and the entry to which the receipt related was made in the right place. The erasure was due to a bandwriter take. In future red ink corrections will be made.

The sums entered as dict of Court costs have all been actually spent on account of such costs. Details of expenditure in respect of each case will be obtained from

Compl'ts Rides work

Draft-Letter/Memorandum

Read:- (12)

Section B&R
File No 9-01
Serial No 9

No R 4433-41 & 5/4/02
R.I 111-95

Letter No 9497/21 dt.
February 1902 from the
Hon'ble Bangalore dt.
Collector, submitting his report
on the inspection of the
Agricultural Bank
at Vadagaon Madhavpur by Talati
Inspectors of the
Agricultural Banks

Order thereon.

The affairs of the
Bank, though in some
respects properly conducted
do not on the whole
seem to be managed
as satisfactorily as it
is possible. Radical
changes seem to be
necessary and definite
proposals on the subject
are awaited. The withdrawal
of Government support
in so important a concern
as this is undesirable
unless found by experience
to be unavoidable. The
Deputy Commr. and the
Inspectors will be good
enough to jointly inspect
the Bank again as soon

as possible on a date to be
mutually agreed upon
and after a thorough joint
investigation advise the
Government as to what
steps be done to promote
the object in view and
to prevent a collapse

Signed

2/4/02
for Secy

To The Chairman Bangalore
Municipal Council
in Bangalore
Chairman & others
concerned

Proceedings of the Government of Mysore, Revenue, dated 5th April 1902.

READ—

Letter, No. 949, dated 21st February 1902, from the Deputy Commissioner, Bangalore District, submitting a report on the inspection of the Agricultural Bank at Vadaganahalli, Devanhalli Taluk, by the Inspector of the Agricultural Banks.

No. R. 4433-41—R. F. 111-95, DATED BANGALORE, 5TH APRIL 1902.

ORDER THEREON.—The affairs of the Bank, though in some respects properly conducted, do not, on the whole, seem to be managed in as satisfactory a manner as possible. Radical changes seem to be necessary and definite proposals on the subject are awaited. The withdrawal of Government support in so important a concern as this, is undesirable, unless found by experience to be unavoidable. The Deputy Commissioner and the Inspector will be good enough to jointly inspect the Bank again as early as possible on a date to be mutually agreed upon, and after a thorough joint investigation, advise the Government as to what should be done to promote the object in view and to prevent a collapse.

H. V. NANJUNDAYYA,
Secy. to Govt., Gen. & Rev. Depts.

To—The Deputy Commissioner, Bangalore District.
The Inspector of Agricultural Banks in Mysore.
The Deputy Commissioners of other Districts.

Exd.—J.T.R.

1901-1902

GOVERNMENT OF MYSORE

REVENUE

PROCEEDINGS

Dated 5th April 1902

No. R. 4433-4
R.F. 111-

Passing orders on the affairs of the Agricultural Bank at Vadaganahalli, Devanhalli Taluk.

SBP—11-4-02—200

(R 237

Received No.
JUL 18 1902
Registered No.

From The Dy Commissioner
Bangalore District

To The Secy to the Govt
of Mysore
Rev: and Genl Deptt

Dated 16th
Despatched 17th July 1902
Received

General No.
D No. 62

Enclosure No. One report and an extract

Govt Order No. 5456-7 / R7 111-95 of
3rd June 1902.

Submits a report of the inspection
working of the Agricultural
Bank at Vadigenahalli made
jointly
by the Dy Comr Bangalore &
The Inspector of Banks.

Rec 18/7
15204

Ack. Refs. Govt
18/7/02

Refer for remarks
19/7
Submitted to the Secretary
with papers
24/7

Survey File No 1349/01
Serial No 9 - 3

Dr 262 —

Sir: I am directed by the Deputy Commissioner to forward the accompanied report and an extract

Bangalore District.
Deputy Commissioner's Office.
Bangalore 16th July 1902.

From,

H. H. Sparkes Esq:
Deputy Commissioner.
Bangalore District.

To

L. Anantasami Rao Esq BA.
Offg Secretary to the Government
of Mysore,
General & Revenue Departments,

Sir,

With reference to Government Order No. R. 5456-7 R.F. 111-95 dated the 3rd June last, calling for a report on the working of the Vadigenhalli Agricultural Bank, I have the honor to forward herewith a report of inspection made jointly by me and the Inspector of Agricultural Banks on the 3rd Instant. Though the Bank has not worked very satisfactorily, I am not in favor of using Coercive measures in winding up the bank. As the Office-bearers and other members have promised earnestly to work for the improvement of the

Bank

Bank, I would like to wait for a
five months more to decide finally
about the future of this Bank.

I have the honor to be,
Sir
Your most obedient Servant,

H H Sparkes
Dy Commissioner.
Bangalore District.

WMH

Report on the inspection of the Vadipenkalli Agricultural Bank by the Deputy Commissioner, Bangalore District, and the Inspector of Agricultural Banks.

The Bank was inspected by us on the 3rd July 1932.

2. The President, the Asst. Secretary appointed by the Directors), all the Directors, and a few of the members were present.

3. The affairs of the Bank were in a very unsatisfactory condition. The Asst. was not a resident of Vadipenkalli, and the President who virtually attended to all the duties of the Asst. had occasion to frequently leave the Station. This gave room to complaints that the business of the Bank was not being done properly and that the President and Asst. were purposely keeping themselves out to evade enquiry into the affairs of the institution. The Secretary, Srinivasa

was unanimous in the adoption
of measures had led to mutual distrust
and unseemly quarrels, culminating
in the removal of the members forming
the minority and the institution of
suits against them. There were indi-
cations of an unhealthy combina-
tion between the President and Agent
Chickasaw, and these and the
Directors had accommodated them-
selves and a few of their relations,
with loans after loans to the pre-
judice of the general body of mem-
bers, and postponed repayment by
means of indiscriminate renewals.
A few of these loans obtained by the
President, the Agent and two of the
Directors were for purposes not
contemplated in the Articles of
Association viz. the building of
houses, the celebration of marriages &c.
The limit of the Cash balance with
the President and Agent could retain

under the Articles of Association was unduly large, viz Rs. 1000, and thus afforded the Legislature for each increase of the Bank's loans, the President and Court not having at any time availed themselves of the facility afforded for keeping current account with the Treasury since the opening of the Bank in November 1876. The Directors met very frequently for the transaction of business and left it to the President to grant 4th class loans and renewals of these and other loans. Although the number of these loans and renewals was large, there was no written application in respect of any of them or any record of how the object for which and the grounds upon which they were granted. The Register of property had not been completed and accurately written in the form as prescribed and the Secretary

Assembly had made an appeal to
protect the Bank against fraud-
-ulent alienation of lands by mem
-bers or to limit the amount of
loan grantable to a member with
reference to value of his property.
The surplus was being used to meet
extraordinary charges in connection
with Civil War: and there was as
yet no reserve fund. No effort
had been made to pay the instal-
-ment due to Government.
4. Hon. Mr. S. Narayana Row and
the Inspector of Agricultural Banks
were about to submit a report
to Government recommending the
withdrawal of the loan of Rs. 10,000
granted to the Bank, but on the
President and Vice-Chairman
earnest representations, both
orally and in writing, on the
30th May last promising to

take the necessary steps to improve the condition of the Bank, allowed them a period of one year up to the end of June last to save the Bank from being wound up. The measures which the President and Agent then promised to take were: -.

(1) to have rules and resolutions passed by the General Assembly -

(a) to prevent alienation of land by members without the knowledge and consent of the General Assembly,

(b) to limit loans to any member to 25 percent of the value of his property,

(c) to give preference to application for small loans,

(d) to prevent new loans being given to persons whose at the time of their application were indebted to the Bank

(e) to entrust the disposal of applications for the loans also, to the Board of Directors instead of to the President - Secretary

(c) to reduce the limit of the cash balance in the hands of the President and Agent to Rs. 500

(g) to nominate another Agent and enable Him to discharge the Board of Directors,

(2) to arrange for the transaction of business in the Bank on three specified days in a month, viz. the 5th, 15th and 28th and to intimate the dates to all members and to the Local Authorities,

(3) to see to the register of property completely and accurately in the form prescribed in 15 other days,

(4) to recover at once the loans overdue from members, and use every possible endeavour to enforce their punctuality in the future,

(5) to pay to Government by the end of June 1902, the amount of first instalment, Rs. 600, which they had promised to pay in March last but failed, and

(6) to ascertain and note in each case the object for which the loan is obtained and used.

5. On our inspection we found that Agent Sri Narayana had resigned,

that the Board of Directors had appointed one Achambhat, a resident-member of Vadiyenahalli to act as Agent pending nomination at a General Assembly; that the President had written up the form of Property Register with a few insertions in the columns intended for names of Pattadars, the Extent, Shares and Value of Lands; that the recovery of arrears was slack, the President and the late Agent who promised to pay up their Cash loans, and other office bearers having themselves taken advantage of the renewals they had obtained; and that the Bank had paid to the Treasury Rs. 200/- on account of the interest due for the half year ending the 30th June 1902, and Rs. 380 only towards the first instalment of Rs. 1000. The President stated that the General Assembly for considering the rules and resolutions referred to would be convened on or about

the 15th instant after the half yearly balance sheet was prepared; that the enquiries in the Property Register would be filled in by ascertaining the particulars required from members present at such assembly; that he would wait upon the Auditor and assist him in Valuing the Land not already inspected and Valued; that he would continue to make the Collections, and pay to Treasurer by the End of the month after the same; not less than Rs. 500, towards the first instalment; and that the balance that might remain of the first instalment, as well as the full amount of the Second instalment which was due at the End of last month would be paid in December 1902

5. The measures proposed by the President were explained to the Directors and Members present, and it was found out that even the limit of Rs. 500

for the cash balance was unnecessarily large as in several of the Shop Banks accounts £5 had been found quite ample; that loans to members might in all cases be granted by means of cheques on the Bank Treasury as these would affords to the Bank additional and valuable check of payment; that there ought to be written applications for loans and renewals in all cases and a record of the resolutions of the Board of Directors thereon; that the Agent ought not to be, as at present, a member of both legislative body and executive; that the President instead of doing as at present, all the duties of the Agent, should get them done by the Agent as far as possible, and exercise his functions of management and control more efficiently than at present. All the members present agreed to the nomination of the new Agent, to the measures proposed by the

President and to the limit of the Cash balance being reduced to Rs. 25 and all sums in excess being sent to the Treasury. They stated that members would not deem it inconvenient to take cheques to the Taluk Treasury or to present written applications for all kinds of loans and for renewals, and that sums obtained would be used strictly for approved purposes. The Asst. undertook to do his share of the work and the President promised to see that the affairs were carried on in the proper manner in accordance with rules and so as to give satisfaction to all concerned.

7. It was brought to notice that Panchayets were habitually unpunctual and required to be dunned repeatedly, that the levy of penalty was not sufficient to induce them to be punctual, and that owing to the heavy cost, considerable personal inconvenience and the sacrifice of time involved

Para 6
Necessary action taken by the Asst. Director & Inspector of Co-operative Societies for approval

in failing and conducting suits in the civil courts, the bank authorities were unwilling to resort to this extreme course until the extremities of time applied for had been granted and means of persuasion and mediation employed, but without avail. If the bank authorities had been strict from the beginning and observed punctuality in their own case, the state of things would not have been so bad. All the members present were told, and warned repeatedly, that if they continued this habit of unpunctuality and failed to pay their debts in due time, the government would be advised to withdraw the loan granted by it and recover it by coercive processes; and the President was required to intimate this to all other members. It was however, decided that this and other Agricultural Banks in the State were in the absence of a legal provision

for employing a temporary reader
method of recovery, at a great disadvantage
in the matter of recovering arrears.
& In their representation of the 30th May
last the President and Asst Cash
stated that they would, if required, pay
over to the Treasury all debts recovered
by them, without waiting them for
their loans, in case the Government
were not confident that the affairs
of the Bank would be conducted satis-
factorily. As the President, the body
of Directors and their members
present seemed to be in earnest about
improving the state of affairs, we
think that they may be allowed
time till the End of December next
to complete the recovery of arrears
and effect other measures of improve-
ment, on the condition that until
the arrears of the first and second instal-
ments due to Government are adjusted
the Bank will pay over to the Treasury
and refrain from withdrawing therefr
the sums realised by the Sale what

Approved

may be necessary to meet the Establishment charges, Contingencies and Court Costs. The books will be inspected yearly by the Deputy Commissioner by an Assistant Commissioner deputed by him.

9 During the inspection, two of the panchayat members appeared before us and prayed that they might be granted Endorsements absolving them from liability to banks transactions. Both had obtained no loans from the Bank and one of them was in need of raising a loan of nearly Rs. 1000 on the security of his lands, but was unable to procure it as no bank or Sowkars would lend him anymore, for he was once a member of the Bank had mortgaged his lands in the Bank's register and incurred liability under the rules of the Bank. The latter's case appeared to be a hard one and he was very unfortunate. He was told that the question of past members liability had been referred upon to the Government, that the Government would be asked to pass early orders

and that on receipt of orders a reply would be sent to this petition. An extract from the Inspector's Report dated the 15th February 1902 is appended for ready reference. In our opinion an authoritative decision on the point raised is urgently needed, not merely in the interests of the past members but also in the interests of the Bank, its existing members and its creditors. If the liability were held to cease on the expiry of twelve months or any other fixed period from date of resignation or removal, members would no longer have their connection with these banks might see their way to pay up their debts, and the Banks would be better for the withdrawal of such lukewarm members.

Where is Mrs Report? 22/7/02

No orders on Mrs Joint have been passed. Please see paper serial no 11 in the file. The enquired Report forwarded by Bangalore has not been returned — 22/7/02

Chinnaswami Rajah
Inspector of Agric. Banks
July 6th 1902

H H Sparks
Deputy Commissioner
Bangalore District

Extract

The Complainants say that in Harrisburg Bank expressed the opinion that, whether or not they continued to be members of the Bank, they would be liable to Government who had sanctioned the loan to the Bank on the Obligation themselves and other Signatories to the Terms and Articles of Association and it was probably a belief of this kind which led him to fear that innocent men would be ruined. The Complainants further allege that a higher authority expressed the opinion that the Bank could not remove any of the Signatories to the Terms and Articles of Association without incurring the risk of being called upon to pay back at once the whole of the Government loan and that the liability of all the Signatories would continue to subsist notwithstanding the resignation or removal of any of them.

The question raised is important

and it is essential that for a proper understanding of rights and liabilities there should be concerning it an authoritative opinion binding alike on the Government, on the Bank as a collective body, and on members existing and past.

Under Section 60 of the Articles of Association members are at liberty to sever their connection with the Bank by tendering written resignations at any time they like and under Section 58 Ibid, the General Assembly has the right to remove members for persistent default, violation of rules or gross neglect of duty. Section 62 Ibid declares that the resignation or removal of a member shall secure for him and his effects freedom from all liability for loans and deposits obtained ... subsequent to the date of his resignation or removal but shall in no way affect liabilities contracted by the Bank previously thereto. Read by itself this provision in the Articles of Association about the liability of past members will seem

to indicate that their liability in respect to past transactions subsists for an indefinite period, that is, up to the winding up of the Bank whenever this may happen.

The provisions of section 61 of the Companies Regulations apply in the event of a company being wound up. If the question of a past members liability had to be determined without reference to the event of a company being wound up, it would be done on the analogy of the provisions of 61(a) of the Regulations under which the liability of a past member would seem to subsist only if the winding up commenced before the expiry of one year from the date on which he ceased to be a member, or could these provisions be ignored and the answer given solely upon a consideration of the terms of section 52 of the Articles of Association?

If the provisions of section 61(a) of the Regulations were held to indicate the law applicable to cases arising in the Agricultural Banks ~~as~~ as at present constituted here, the liability

of General of the last number would
seem have ceased long ago to exist..

+ + + + + -(

Extract.

Ramachandra Iyer

Insp. of Agency Banks

Section Bkg & Rens. —
File No 9-4
Serial No

Letter No 62 of 1902 dated the 4th July 1902 from the Director of Land Records & Agriculture, Bangalore submitting a report on the inspection of the Agl. Farm at Kankal Vedavathy Taluk, and made jointly by the Director of Land Records & Agriculture, Bangalore & the Asst. Director of Agl. Bombay.

made jointly by himself & the Asst. Director of Agriculture Bombay.

R 793-4
R 111-95

3/5/02
5

Orders thereon

Records with the observation that Govt. Concur with the D. of L. Records & would be glad to hear from him of material improvement in all necessary directions at the end of

December 1902

N
1/8/02
for Leo

Lo